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## **UK China Sustainable Development Dialogue**

Urban Theme

Urban Regeneration of Industrial Areas

Affordable Housing for Low Income Populations in Cities

Shi Nan, Liu Hongyu, Greg Clark, David Webster.

with Qu Changhong, He Mei, Wang Xingping, Shi Jiahong, Wang Yun, Keith Thorpe, Jessica Cheung, Andy Topley, Karl Tupling, Gareth Evans, Guo Xiaoyang, Hu Juncheng, Xiao Yuyan and Zhu Zibing.

February 2010

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## The 12 Papers and their Authors

- i. Foundations of Urban Regeneration Policy in the UK. Greg Clark, Jessica Cheung, Keith Thorpe, Andy Topley, David Webster.
- ii. Foundations of Urban Regeneration Policy in China. Shi Nan, Qu Changhong, He Mei, Wang Xingping, Shi Jiahong, Wang Yun and Zhu Zibing.
- iii. Foundations of Housing Policy in the UK. Greg Clark, Jessica Cheung, Karl Tupling, David Webster.
- iv. Foundations of Housing policy in China. Liu Hongyu, Guo Xiaoyang.
- v. Urban Regeneration in Wuhan. He Mei, Wang Yun, Shi Nan, Qu Changhong and Zhu Zibing.
- vi. Urban Regeneration in Sheffield. Greg Clark, Jessica Cheung, Andy Topley, Daniel Klemm.
- vii. Urban Regeneration in Nanjing. Wang Xingping, Shi Jiahong, Shi Nan, Qu Changhong.
- viii. Urban Regeneration in Glasgow. Greg Clark, Jessica Cheung, David Webster, Anne Murray.
- ix. Affordable Housing in Wuhan. Xiao Yuyan, Liu Hongyu.
- x. Affordable Housing in Sheffield. Greg Clark, Jessica Cheung, Karl Tupling.
- xi. Affordable Housing in Nanjing. Hu Juncheng, Liu Hongyu.
- xii. Affordable Housing in Glasgow. Greg Clark, Jessica Cheung, David Webster.

## 1. Introduction

### Sustainable Development Dialogues (SDDs)

With increasing economic and ecological interdependence, it is not possible for nations to address the challenge of sustainable development in isolation. The challenges are international and international collaboration is essential in sharing lessons and developing solutions. China's environmental problems are global in scope. Every country, therefore, has a stake in improving China's environment.

The UK-China Sustainable Development Dialogue (SDD) is a partnership between the UK and Chinese Governments to promote collaboration and good practice on sustainable development. The UK-China SDD is framed by a 2004 joint Prime Ministerial declaration and was formally established in 2005 by an agreement signed by UK Deputy Prime Minister John Prescott and State Councillor Tang. The SDD was founded on the recognition that, in an interdependent world, international co-operation is needed to ensure that learning is shared and efforts are made collectively towards achieving common goals. Government ministers from both countries have committed to this dialogue.

At the 3rd SDD Ministerial Meeting in Beijing, held in 2008, the Chinese Vice-Minister to the National Development and Reform Commission (NDRC), and the UK Minister for the environment, extended the SDD for a second phase to 2011. During Secretary of State Hilary Benn's visit to China for the annual Ministerial (held in November 2008), an agreement was made by UK and Chinese Ministers to extend the SDD to November 2011.

The agreed themes of the SDD are:

- Sustainable consumption and production in the UK and China;
- Natural resource management (with sub-themes on agriculture, fisheries, forests and biodiversity);
- Sustainable urban development;
- Capacity building and governance; and
- Financing for sustainable development (which covers use of economic instruments to promote environmental outcomes).

More than 40 projects have been completed or are ongoing under the SDD, involving more than 20 UK and Chinese Government Departments, and a range of stakeholders from academia, civil society and the private sector.

On 12 October 2009, a new two year work plan under the UK-China SDD was launched by UK Secretary of State Hilary Benn and Chinese Minister Du Ying from China's National Development and Reform Commission during the annual UK-China Ministerial meeting held in London. Along with the new work plan, new partnership projects were also launched on:

- sustainable agriculture: Through newly funded projects under the joint UK-China Sustainability Agriculture Innovation Network (SAIN); and
- sustainable forest management: Through a new project aiming to develop a sustainable timber certification scheme.

### UK China SDD

The UK and China have much to gain from mutual learning and collaboration on sustainable development. The UK has a wealth of experience and expertise relevant to China as it seeks to better manage the environmental and social challenges of China's economic transition. And the UK is also keen to learn from China's experience: China has now become a hub of global innovation and learning and this provides excellent opportunities for piloting new sustainable development activities.

## Methodology

Joint work plans set out specific objectives, activities, and deliverables under focal areas. Project working groups have been established to steer and drive collaboration in all areas. Ministerial and senior officials' meetings take place at least once a year to review progress and agree future activities; working level meetings, workshops and technical exchanges take place routinely. Small amounts of funding for approved projects are available, including through an International Sustainable Development Fund (ISDF) mechanism, to underpin the delivery of the joint work plan objectives.

## Partners and participants

The SDD is managed by the UK Department for Environment, Food and Rural Affairs (DEFRA) in the UK and the National Development and Reform Commission (NDRC) in China. It is strongly cross-governmental programme, with nearly 20 UK and Chinese Ministries involved, including, in this SDD Urban Strand, DEFRA, the Department for Communities and Local Government (DCLG), The Department for International Development (DfID), and United Kingdom Trade and Investment (UKTI) in UK, and the Ministry of Housing and Urban-Rural Development (MOHURD) in China.

Since its official launch in November 2005, the SDD has evolved into a robust cross-governmental platform for policy exchanges and technical collaboration, involving the active participation of about 20 government departments and agencies from both countries. This collaboration is important for robust and comprehensive policy development. The SDD programme delivers a range of innovative joint-projects to progress areas of common interest identified and agreed by both countries. To date, more than 40 projects have been completed, or are ongoing, with involvement of a range of stakeholders from universities, civil society, and the private sector, as well as across government and in the provinces.

## Research undertaken

The SDD programme is evolving in nature, and an ongoing evaluation of key work streams and projects has identified that the UK-China SDD has stimulated new policy development, fostered new partnerships and established new governance arrangements. The communication of these outcomes is channelled through both the UK and Chinese media, and to other SDD participating countries (Mexico, South Africa, Brazil and India) through a dedicated south-south learning programme.

Research has taken place, to varying extents, across all four of the main themes of the study:

- i. Sustainable consumption and production.
- ii. Natural resources management.
- iii. Governance and capacity building for sustainable development.
- iv. Sustainable urban development.

## Sustainable Cities

**Sustainable cities:** In January 2008, British and Chinese Ministers signed a joint agreement to strengthen collaboration on sustainable cities. Under the SDD, the UK and China have carried out joint research on the best ways to regenerate old industrial cities and provide affordable housing to low income households. The research includes case study analysis of Sheffield and Glasgow in the UK, as well as Wuhan and Nanjing in China. The project aims to better equip UK and Chinese practitioners in both public and private sectors to apply sustainable development skills and know-how to their work in the urban realm. The findings of the research were disseminated at the 3rd Asia Expert Workshop on City Regeneration and China's Annual National Planning Conference in Tianjin in September 2009.

**Role of this report.**

This paper is the 13<sup>th</sup> and Final Paper in the SDD (Urban Strand) and it seeks to draw together the previous analysis and observations.

The twelve other papers cover:

- i. Foundations of Urban Regeneration in the UK.
- ii. Foundations of Urban Regeneration in China.
- iii. Foundations of Housing Policy in the UK.
- iv. Foundations of Housing policy in China.
- v. Urban regeneration in Wuhan.
- vi. Urban regeneration in Sheffield.
- vii. Urban regeneration in Nanjing.
- viii. Urban regeneration in Glasgow.
- ix. Affordable housing in Wuhan.
- x. Affordable housing in Sheffield.
- xi. Affordable housing in Nanjing.
- xii. Affordable housing in Glasgow.

This report draws together the core conclusions from the twelve papers and offers recommendations for taking the dialogue forward.

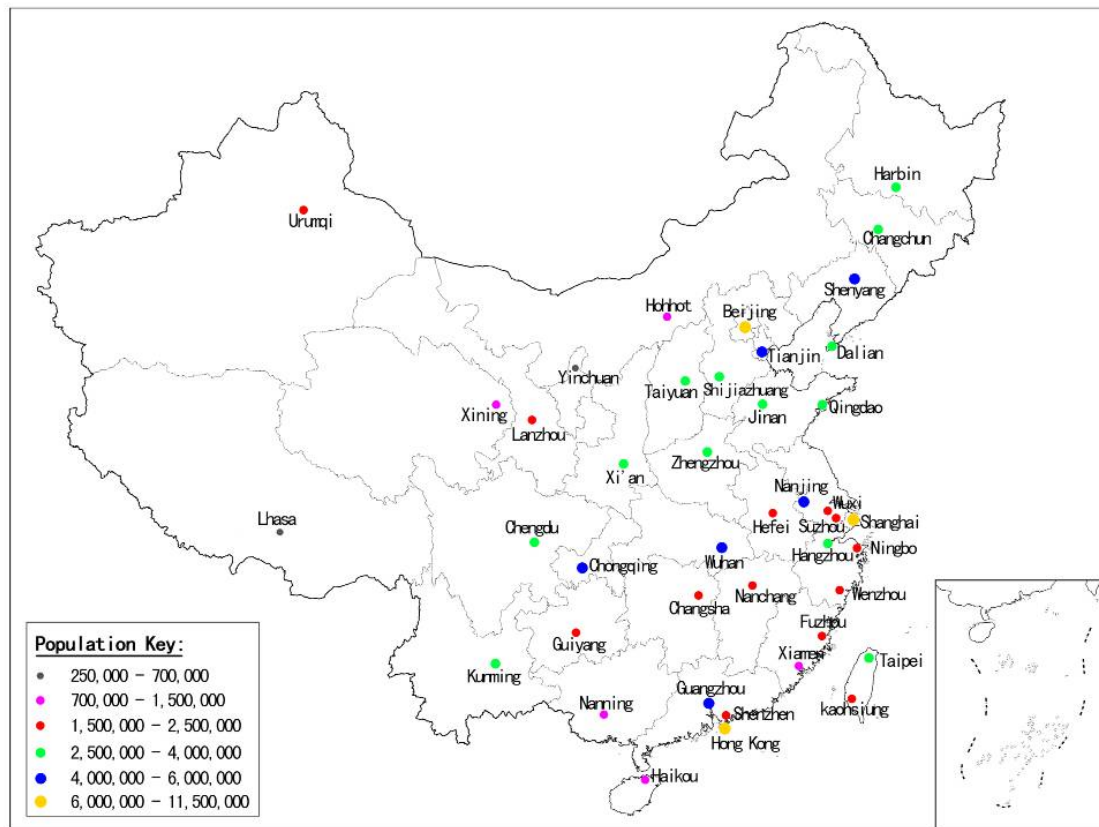
## 2. Cities in the UK and China

### 2.1 Introduction

In order to better understand the background of housing and urban policy in the UK and China, an understanding of the context and systems they are working within is necessary.

	UK	China
Population	60,776,238	1,321,851,888
Number of <b>metropolitan</b> areas with a population greater than 1,000,000	8	76

A map illustrating the population of China's major cities, 2005.



A map illustrating the population of the UK's major cities, 2005.



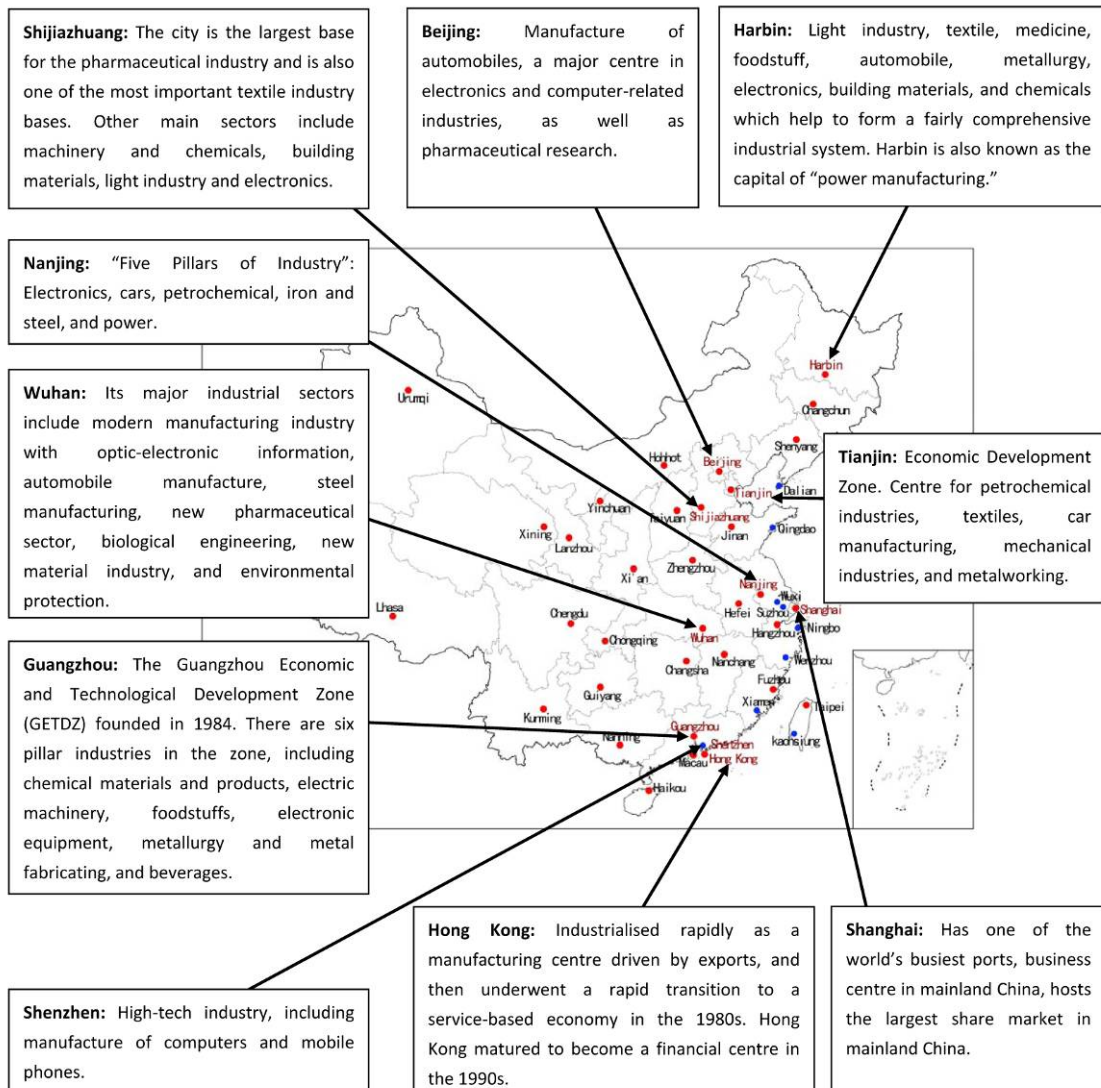
#### Population Key

- 85,000 – 150,000
- 150,000 – 200,000
- 200,000 – 300,000
- 300,000 – 500,000
- 500,000 – 1,000,000 +

\* London 7,400,000



### The Industrial Specialisms of China's Cities, 2000.



### The Industrial Specialisms of the UK's Cities, 1900.

**Glasgow:** One of the world's pre-eminent centres of engineering and shipbuilding.

**Edinburgh:** Scotland's intellectual and cultural centre, as well as shipping centre in nearby Leith.

**Newcastle:** Centre for coal mining and heavy manufacturing industries, as well as shipbuilding and ship-repairing.

**Manchester:** Transformed from a township into a major mill town. Dubbed 'Cottonopolis' during the Victorian era.

**Leeds:** Wool was still the dominant industry but flax, engineering, iron foundries, coal extraction and printing were all important.

**Liverpool:** Major shipping port which acted as one of the major centres of UK international trade.

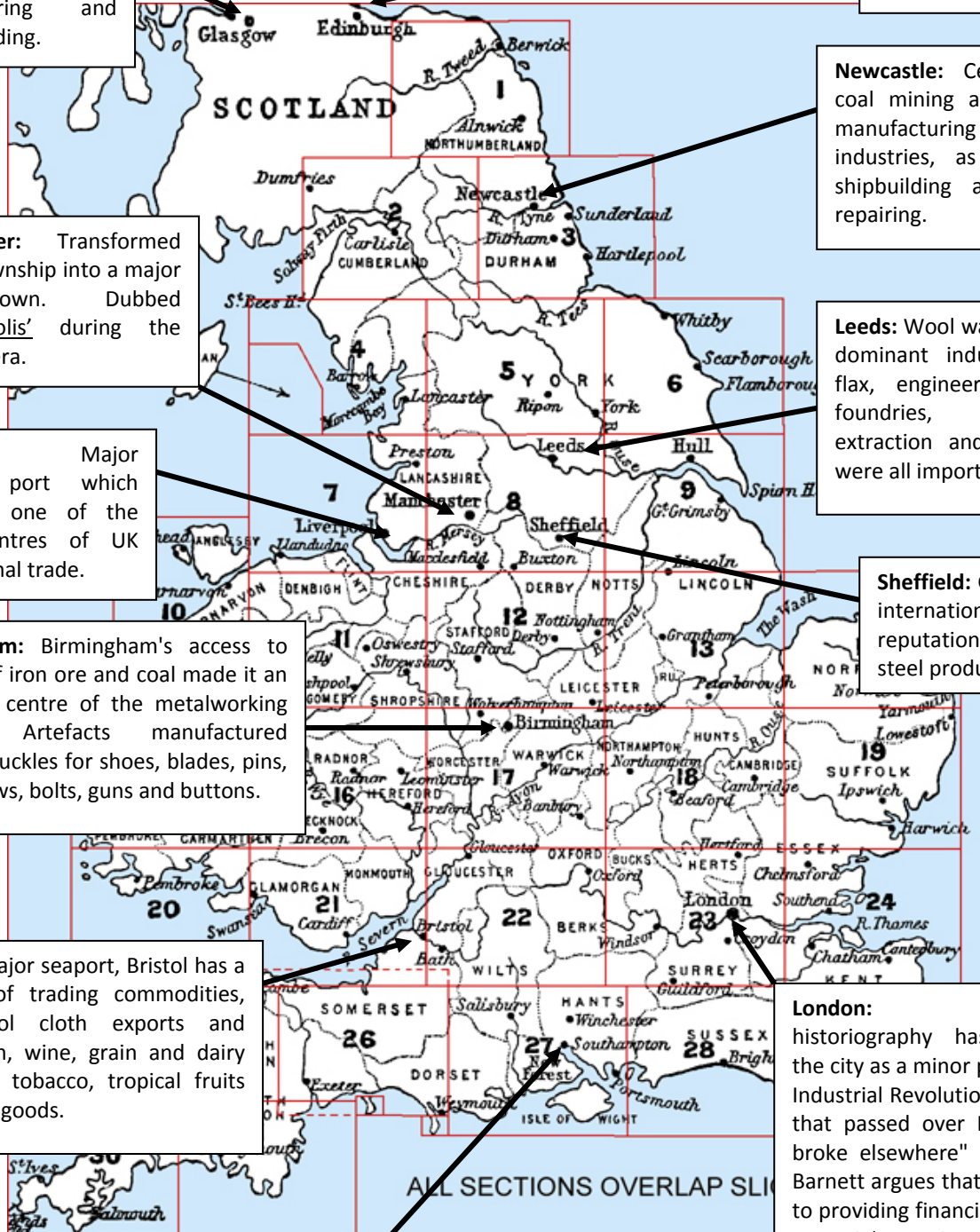
**Sheffield:** Gained an international reputation for its steel production.

**Birmingham:** Birmingham's access to supplies of iron ore and coal made it an important centre of the metalworking industry. Artefacts manufactured included buckles for shoes, blades, pins, nails, screws, bolts, guns and buttons.

**Bristol:** As a major seaport, Bristol has a long history of trading commodities, originally wool cloth exports and imports of fish, wine, grain and dairy produce, later tobacco, tropical fruits and plantation goods.

**London:** Traditional historiography has regarded the city as a minor player in the Industrial Revolution - "a storm that passed over London and broke elsewhere" - but David Barnett argues that, in addition to providing financial and other essential service skills, the capital was at the forefront of industrial development in terms of international trade.

**Southampton:** Became known as *The Gateway to the Empire*. In the early 20th century it handled almost half the passenger traffic of the UK.



## **Differences between Chinese and UK Cities.**

There are some fundamental present-day differences which are particularly significant in relation to urban regeneration and affordable housing.

### **Income levels**

World Bank figures for 2008 give China's GDP per head as \$5,962 compared to \$35,442 for the UK. However, there is a big income gap between urban and rural China; Shao & Shi (2008, p.175) put this at 3.23:1. Therefore, the disparity between cities in the two countries is less. Also, the difference in income is not equally important in all areas of consumption, and this has implications for urban land use. For instance, private car ownership is much lower in China and people have far fewer foreign holidays, but in urban areas, consumption of food (including eating out), clothing and domestic equipment would be more similar.

### **Private car ownership**

Private car ownership is about 30 per thousand of the population in China, compared to around 300 per thousand of the population in Europe. Again, the difference will be less between cities in the two countries. Beijing has much higher car ownership than other Chinese cities (about 70 per thousand of the population).

### **Land ownership**

In China, all urban land belongs to the state and only use rights can be privately owned. In many cases, this does not make much difference, as long leases have values close to that of outright ownership. But it does seem to make a big difference in the case of development land for uses such as transport infrastructure and affordable housing, where compensation payments to farmers reflect existing use. Land sales are also a much more important source of revenue for local government in China than in the UK. In China, land sales typically account for 10% to 50% of local authority revenue (MGI 2009, p.35). Over the period 1990 to 2005, Chinese cities are estimated to have acquired land areas with a population of 120 million people (MGI 2009, p.18).

Developable land within these areas has been acquired on the basis of compensation reflecting existing use, and then resold at something like market value. Shao & Shi (2008, p.160) indicate that in the decade to 2008, cities made a profit of 2000bn Yuan from land transactions. MGI suggest that this municipal land acquisition is one of the primary reasons why China has been able to urbanise without creating massive slums. It is clearly also a major factor in China's ability to develop public infrastructure – roads, bridges, metro and high speed rail lines – very quickly.

By contrast, while UK local authorities usually have substantial land holdings, and regularly generate capital receipts from them, these tend to be a minor element in financing. In the UK, compensation is at market value, including the "hope" value of future development, even if this is contrary to the local land use plan. Therefore, acquisition costs add hugely to the cost of new infrastructure and make implementation of strategic plans very difficult. On the other hand, many Chinese writers (including authors involved in the current project) argue that greater use of market mechanisms in land transfer, and greater transparency, would increase the efficiency of land use.

### **Migration**

China is still only about 45% urbanised and rural-urban migration is a major phenomenon, and a major feature shaping urban growth, housing problems and urban inequality. MGI (2009) estimates that between 1990 and 2005, 103 million people migrated from rural to urban areas, accounting for 32% of the population increase in the latter areas. The UK also has inward migration, but this is on a smaller scale. Inward migrants are generally much more educationally qualified, and migration is spread more evenly across urban and rural areas, although concentrated in the South East. In the UK,

there is some association between migrant workers and bad housing conditions, but this is much less prevalent than in China.

### **Housing Tenure**

China has a much smaller social rented housing sector than the UK – around 10%, compared to the UK's 18.5% (UK Housing Review 2008/09). This is mainly the result of the privatisation programme, dating from the 1980s, in which social rented houses owned by enterprises or local authorities were sold very cheaply to their occupiers. While the UK also had a programme of social housing sales at concessionary prices over a similar period, this was far more selective and the prices were much less attractive.

The private rented sector is about the same size – 10% - in both countries. In both countries, it plays a similar role in facilitating migration, especially by younger and less prosperous people.

### **Housing Space Standards**

Precise comparisons of space standards between China and the UK are difficult because the concept of square metres per capita is not used much in the UK. Average urban space standards in China have improved dramatically, from 10 sq m in 1985 (Sit 1995, p.215) to 26 sq m in 2005 (Shao & Shi 2008, p.62), but they remain lower than in the UK. However, there is little difference between the space standards of *newly built* housing in China, compared to the UK. The UK has relatively low space standards in new housing compared to the rest of Europe.

### **City Boundaries**

Chinese cities are systematically governed and planned on the basis of the concept of the city-region. The term 'city' or 'municipality' is normally used to refer to the city-region, while the continuous built-up central city area is referred to as the 'urban area'. Unlike Glasgow and Sheffield, the cities of Nanjing and Wuhan are both responsible for very large areas, including many satellite towns, beyond the main city area. In the UK, while the city-region concept has been influential at certain times (e.g. in the 1974 local government reform and in recent developments in city collaboration), governance at the city-region level is generally weak, improvised and often informal. Glasgow and Sheffield both have tight boundaries; Sheffield's boundary extends only a short distance beyond the urban area, while Glasgow's does not even include the whole of the urban area. British cities rely on joint structures or informal collaboration in order to obtain coherence in planning at the city-region level. As in the USA, these central cities have major fiscal problems resulting from their lack of direct access to the tax revenue from their outer areas.

Great care must, therefore, be taken in making comparisons between the Chinese and UK case study cities.

### **Similarities between China and the UK**

There are also some key similarities.

### **Uneven Regional Development**

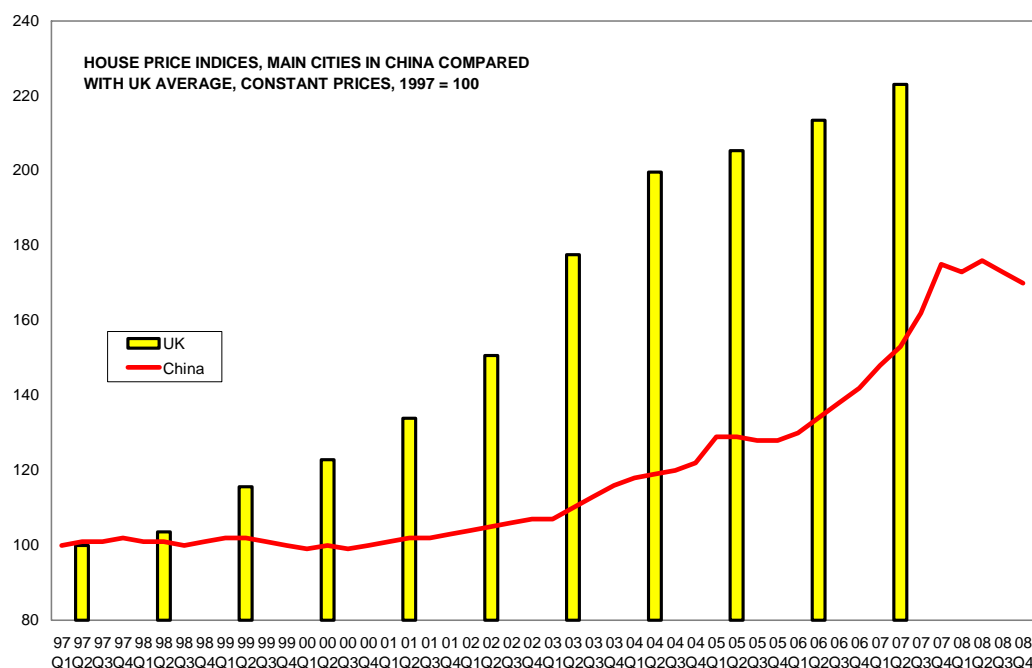
Both countries have a relatively intractable problem of uneven regional development. In China's case, this is the disparity between the eastern coastal areas and the western interior. Shao & Shi (2008, p.175) state that in 2003, the average GDP in the eastern region was 2.38 times larger than in the western region. For the UK, it is a broadly south-east versus north-west disparity. Of the case study cities, Glasgow and Sheffield are in the less prosperous North West UK, while Nanjing is in China's prosperous east and Wuhan is on the borderline between east and west.

## Relocation of Industry from the Central City

In recent decades, both countries have seen large-scale relocation of industry from their central cities to satellite towns and exurban areas. In the UK, this has occurred since the beginning of the 1970s and in China since the late 1980s. This has had major effects in terms of labour market dislocation and the creation of derelict sites. In the UK, these effects have been compounded by very slow growth in total industrial output, and decline in industrial employment, in contrast to China's very rapid growth in industrial output and continuing growth in industrial employment.

## Comparative House Price Inflation

Both countries have had severe inflation in house prices in recent years (CHART). In the UK, it started earlier and the main increase was in 2000-04. In China, the main increase was in 2006-08 and was more sudden. In both cases, the inflation of prices has caused widespread problems of affordability of owner occupation to people on middle and lower incomes.



Sources: China Affordable Housing Foundation Paper, UK Housing Review 2008/09

## Why is UK City experience relevant to Chinese Cities?

- i. The UK is a **highly urbanised nation** with cities and towns of very different sizes, roles, functions, and levels of success. There is marked heterogeneity in terms of the size and functions of UK cities, which enables different UK cities to offer insights for cities in wide ranging situations across the world. London is frequently cited as one of the world's leading global cities, and the UK has many other types and sizes of cities.
- ii. The UK was the **first nation to substantially industrialise** (in the 19<sup>th</sup> Century) and the UK's cities were the first to become specialist industrial centres. They were also among the first cities to face de-industrialisation (soon after those of the north-eastern and mid-western USA) and much can be learned from why and how these cities were so exposed by de-industrialisation, how de-industrialisation was or was not managed locally, what has been attempted in terms of urban regeneration, and what has and has not worked.
- iii. Approaches to urban development and regeneration have undergone successive phases of development in the UK, from the 'garden city' movement of the early 20<sup>th</sup> century through to



‘brutalist’ redevelopment in the 1960s, to the more subtle concepts of the ‘new urbanism’ in recent decades. UK cities, therefore, offer a **wide variety of models** to draw upon, with a strong evidence base on their sustainability.

- iv. Due to the UK’s historic roles both as a **former Imperial power and a great trading nation**, together with more a recent focus on internationalisation and global integration, the UK’s cities have a marked **ethnic and racial diversity** which offers insights for many cities that seek to attract and effectively manage diverse urban populations.
- v. Several UK cities are leaders in the **knowledge economy and creativity** (including some former industrial cities) and the speed with which UK cities have embraced their knowledge base and knowledge rich institutions as sources of growth offers an important story for other cities around the world.
- vi. UK cities exist within an **asymmetric governance system** whereby one has a metropolitan government (e.g. Greater London) and others do not (although some collaborative governance mechanism have emerged e.g. in Greater Manchester and the major Scottish cities), whilst some exist within devolved nations or partially devolved regions (Scotland, Wales, Northern Ireland, Greater London). Overall, the UK system of national-local relations is highly centralised (especially fiscally and financially) with local governments having more limited self governing powers than most other countries in the OECD. This means that the UK offers many insights about the choices of tools used to address urban challenges, and it offers an alternative model to many other developed countries. More precisely, the UK’s centralised model offers insights about the comparative advantages of centralised models over more devolved models in tackling different kinds of urban challenges.
- vii. The UK has been building social rented housing for well over a century and has a wide experience of differing financial approaches, as well as a sophisticated financial system.
- viii. In China there is increasing interest in public participation in urban planning. The UK planning system since 1947 has attached fundamental importance to public involvement and there is much subsequent experience with different approaches.

### Challenges facing cities in the UK and China

Issues concerning the **UK’s** cities:

- i. UK Cities were at the base of the industrial revolution in Europe in the 1800s, and the UK’s urban structure is based on the industrial division of labour and modes of production. Industrial decline in the 60s, 70s, and 80s, hit British cities very hard and there was widespread disinvestment, dereliction, abandonment, and social strife. Cities became perceived as problems (especially former industrial cities) and there were significant population losses in many former industrial cities.
- ii. In recent years, the UK has seen the resurgence of the cities after the decline achieved by persistent efforts at urban regeneration, improvements in economic conditions and employment, and enhanced leadership by local government and private investors.
- iii. Inner cities have been rejuvenated with people moving back into cities, however, there are still great social and economic differences within English cities. The process of economic recovery has been uneven across England, many cities in the North and West have not yet caught up with London and the South East. Closing the gap across the country remains a large challenge.
- iv. Cities in the North and West of England face bigger challenges than in the South and East. They have greater deprivation, worse health conditions and more poor neighbourhoods, higher levels of child poverty and lone parenthood.

- v. There are increasing housing challenges across the UK as the traditional pattern of family housing provision in cities changes with the rising number of one person households. The increased demand for housing has also reduced the availability of affordable housing for first-time buyers, low income households and key workers.
- vi. The social housing supply is deemed to be too low and there is the additional challenge of building compact, well designed and sustainable communities which add to the existing urban areas.
- vii. Cities still face challenges of social exclusion and inequality. Unemployment and deprivation is higher and more widespread than in other parts of the country and compared to towns and rural areas. Residential 'sorting' based on income, wealth, employment status and ethnicity is quite high in cities and the gap between the poor and better off neighbourhoods is bigger than elsewhere.
- viii. Congestion, air pollution and the provision of public transport is still an issue in cities and is being tackled with a number of initiatives, for example in London with the use of Congestion charging.

Why is Chinese city experience relevant to UK cities?

### **Managing fast growth in a densely populated country**

Most of the China's territories are densely populated. Coping with the conflicts between the demands of urban growth and preservation of agriculture has always been a major issue to the country, particularly to these developed coastal areas. In recent decades, China successfully maintained a high economic growth rate, mainly as a result of the contribution of industrialisation, while sufficient grain is produced to feed the nation's huge population with very limited arable land, water and other resources.

### **First-time investment with contemporary technology**

While much of urban form in the UK has been determined on the basis of earlier, for instance Victorian, technologies, China is carrying out current urban investment using the most up-to-date technologies, for instance in rail systems and urban lighting. China is therefore able, in many cases, to demonstrate the full potential of these technologies. In particular, China will be able to manage the growth of car use, drawing upon the experience of countries which have already experienced mass car ownership.

### **City-region planning**

China has a highly coherent system of city-region planning and administration. The importance of the city-region is often acknowledged in UK academic literature and pursued as an aspiration by many political leaders. However, it has never been consistently pursued in practice. The high point was reached with the 1974 local government reorganisation, but even then few major cities shared government with the full extent of their hinterlands, and in the 1980s and 1990s there was a retreat from the concept. China is able to demonstrate the potential of integrated city-region planning.

### **Recovery from the decentralisation of industry from the central city**

The problems resulting from decentralisation of industry from the central city are very similar in both countries and the study of Chinese approaches has benefits to offer the UK.

Issues concerning **China's** cities:

- i. Many of China's challenges are a result of the rapid industrialisation and growth of China in the last 30 years since the economy was opened up in 1978.

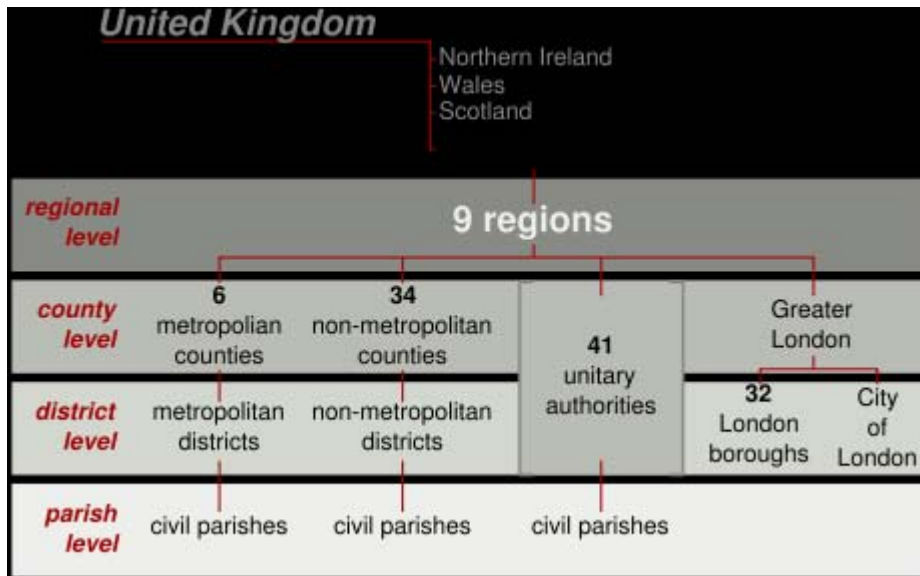
- ii. Migration has become a critical component in Chinese urbanisation. There are two forms of in-migration into cities, rural-urban migration and temporary or the floating population. Temporary migrants are seasonal and converge on fast growing employment and generating cities. The large number of migrants stretches urban services to their limits and there are major issues concerning extension of welfare rights to migrants.
- iii. There may also be potential cultural conflicts between new migrants of farm-workers and their host urban communities.
- iv. The larger cities of China are especially plagued by problems of housing shortage, residents living in congested conditions and sizeable parts of the housing stock being considered unfit for living.
- v. Cities have experienced urban environmental degradation, they are vulnerable to industrial pollution and as the economic development accelerates, industrial pollution will increase rapidly.
- vi. Wastewater, solid waste, chemical fertilisers and coal fuel pollution have grown in severity and scale.
- vii. There are also water shortages across northern China which affects agricultural output, but also urban areas. Industrial waste and urban sewage has increased from 31.5 billion tonnes in 1980 to 63.1 billion tonnes in 2002<sup>i</sup>, further exacerbating the water crisis.
- viii. Air pollution is a huge problem in Chinese cities. According to the World Bank, China has 20 of the world's 30 most polluted cities<sup>ii</sup>. 75% of China's energy is produced from coal and this is a key contributor to air pollution. The increasing car ownership of the urban population with more relaxed vehicle standards have been contributing to air pollution.
- ix. The air and water pollution has a health impact on urban residents; Shanghai has the highest cancer mortality rate in China.
- x. There is increased land pressure on land resources through demand for higher food standards, urban land uses have spread onto fertile agricultural land, causing degradation through the intensification of production. There is also massive forest depletion now making up only 8% of the land cover.

## 2.2. Governance of cities

### Governance of UK's cities

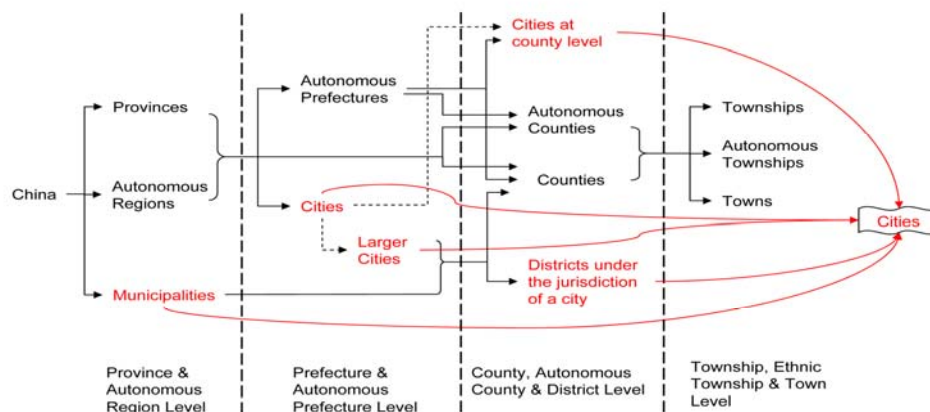
- Below the Central Government level are the local authorities which cover the whole country. The main link between local authorities and central government is the Communities and Local Government department.
- In some areas, there are two layers of governance, a district council and a county council, while in others there is just a unitary authority.
- Local government functions are divided between the county council and the district council. County councils are responsible for education, social services, waste disposal, public transport and town planning. District councils are responsible for local planning, council housing, recycling, local roads, leisure services and parks.
- In 1999, the Greater London Authority Act created the Mayor of London and the London Assembly. However, this hasn't been implemented in other cities.

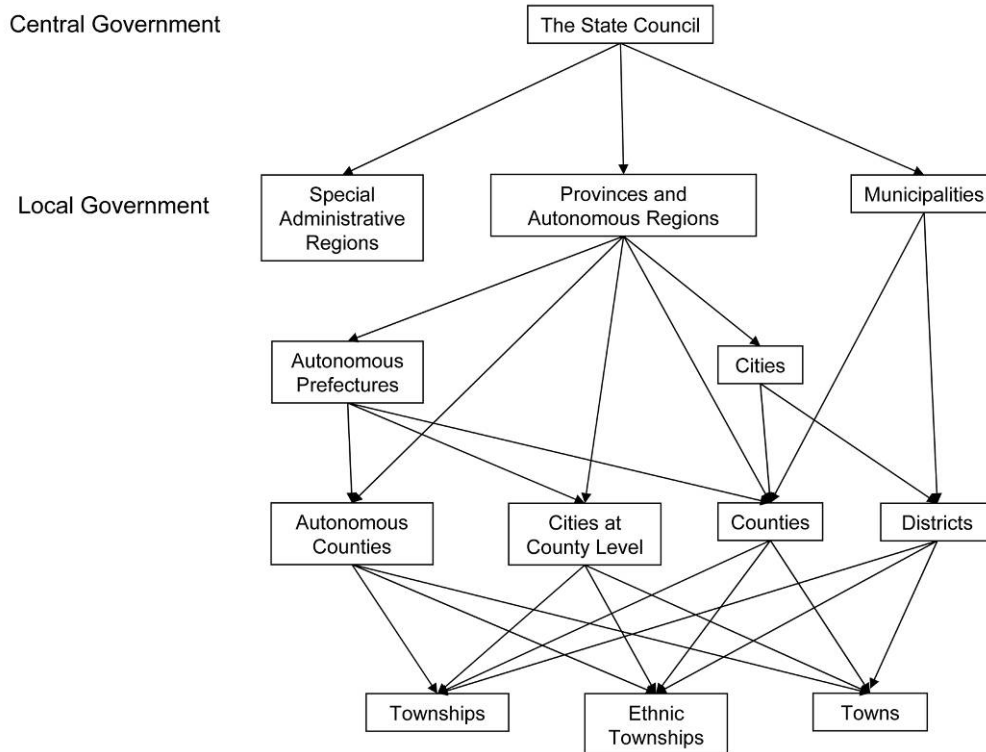




#### Governance of China's cities

- China is a one government system run by the Chinese Communist Party (CCP). The National People's Congress (NPC) is the highest organ of state power. The Standing Committee of the NPC is the permanent organ of the NPC. The NPC and its Standing Committee are empowered with the rights of legislation, decision, supervision, election and removal. The State Council, namely the Central People's Government, is the highest executive organ of State power, as well as the highest organ of State administration.
- The country is divided into provinces, autonomous regions and municipalities, these are all directly under the Central Government. Currently there are 22 provinces (23 including Taiwan), five autonomous regions and four municipalities with two Special Administrative Regions. Further divisions are shown in the diagram below.





- Provinces and municipalities are directly under the control of Central Government and the NPC has the power to decide on the division of responsibility between the Central Government and the administrative organ. They can alter and overwrite the decisions made by the provincial or municipal government. At the same administrative level, 5 autonomous regions enjoy much autonomy empowered by the national legislation.
- The provincial and municipal governments implement local laws and regulations and report to their people's congress and standing committees. They have power over the work carried out by the lower level governments under their jurisdiction.
- Provinces and municipalities directly under the Central Government have governors, vice governors, mayors, vice mayors, secretaries-general, directors of departments (or bureaus) and commissions. Provincial governors, vice governors, mayors and vice mayors are elected by the people's congresses of the provinces and municipalities.
- Below the province and municipality level there are sub-provincial cities and prefectural level cities, they have their own governments made up of mayors and vice-mayors. There are further levels of governance below this at the counties, district and town level.

### 3. Urban Regeneration, China

#### Hierarchy of Urban Policies

China hasn't developed any special "urban development policy system." In reality, most public policies regarding urban development are departmental policies or sector policies. Relevant policy contents are found in different special policies. China's urban policies are not hierarchical. Governments at different levels develop their own policy according to their jurisdiction. As a result, urban policies may be divided into: Any urban policies at the State level and any specific policies for any specific zone or city.

Generally, urban policies at different levels focus on different areas:

- At the State level, urban policies cover all main aspects affecting the urban functions, such as local development, employment, environmental protection and social security.
- At the regional level, urban policies focus on regional resource utilisation, urban-rural relationship co-ordination, and infrastructure co-ordination, on the basis of sustainable development.
- At the city level, urban policies focus on urban management and governance.
- At the community level, the key is to authorise local residents.

At the State level, China's urban policies mainly take two forms:

- National laws and rules regarding urban development. E.g. The Urban and Rural Planning Law states the detailed guideline of urban development. The Land Administration Law states the issue of urban and rural land use.
- The Party and State's policies and regulations on urban development issues which are specially constituted by the ruler, according to the need of national economic and social development in that period. They are policies in management form. For example, the decision to strengthen urban planning, the decision for urban housing system reform, and national plans promulgated by the State Council.

At the regional or city level, the State's urban public policies are actually overall guiding thoughts and basic principles for city-level responsibilities, and a policy precondition for a city to carry out specific work. However, the planning and plans of the region or city are specific urban public policies to that city. **China's urban ideology may fall into three major phases:**

#### i. The phase of birth of the simple city concept

Cities in ancient China, especially after the breakdown of the feudal society, were the base for the ruling class to rule the rural areas and exploit the farmers. Therefore, urban ideology was full of the concept that urban and rural areas are opposing phenomenon. Regardless of the imperial power ideology of the ruling class, and from the standpoint of urban planning, the core of urban planning ideology in ancient China consisted of three essential concepts – whole, regional, and nature-respect concepts.

#### ii. The phase of urban ideology dominated by industrial civilisation

Growing importance became attached to cities as the industrial base of a region; a concept which gradually became the primary impetus for the growth of a city. As a result, relevant concepts of industrialisation and urbanisation became the main content of urban ideology.

Before the founding of the New China, in the early 1950s, there were many statements made by Mao Zedong with regard to urban development issues. For example, at the 2<sup>nd</sup> Plenary Session of the 7<sup>th</sup> Central Committee of CPC, he set forth that: "From now on, the Party's work focus will shift from villages to cities." He stressed his intention to focus on developing the production of cities.

Subsequently, industrialisation began in China. China launched 156 key projects successively. Gradually, industry was stressed, and urban construction was ignored and viewed as non-productive construction. Eventually, the guiding ideology appeared to be “production first, living second.”

In the 1960s, based on the judgment of the international situation, China arranged the “Three-line Construction.” In 1964, Premier Zhou Enlai summarised the experience of Daqing as “combining industry with agriculture, combining urban areas with rural areas in order to help production and facilitate living.” The overall attitude was to restrict urban development, especially the development of big cities.

During the “Great Cultural Revolution”, functions of cities were completely denied.

In 1978, when China opened up, priority was given to economic construction. Great changes took place in urban ideology. In 1983, CPC proposed to estimate the functions of cities again: “Cities are economic, political, sci-tech, cultural and educational centres in China, and places where modern industry and worker classes gather, and play a leading role in the socialistic modernisation drive.”

In 1989, the *Urban Planning Law* was promulgated. Expressly, the Law pointed out the urban development policy: “China carries out the policy to control the size of big cities rigidly, and developing small- and medium-sized cities reasonably to promote the sound layout of productivity and population.”

### **iii. The phase dominated by the urban ideology of co-ordinated development**

After the year 2000, the strategy for urbanisation was set forth expressly; the urban development issue was reconsidered from the standpoint of developing urban and rural areas as a whole and importance was attached to the issue of sustainable urban development.

In 2000, CPC suggested formally in the 10<sup>th</sup> Five-Year Plan to “positively and reliably promote urbanisation.”

In 2002, President Jiang Zemin pointed out at the 16<sup>th</sup> National Congress of CPC that: “Surplus rural labourers moving to non-agricultural sectors and cities and towns is an inevitable trend of industrialisation and modernisation. The level of urbanisation shall be improved step by step. Small, medium, and large-sized cities and small towns shall be developed in a coordinated manner.”

In 2003, the Central Government further set forth to “accelerate the process of urbanisation.”

In 2007, President Hu Jintao presented the overall strategy of China’s regional development, stressing that it is necessary to push forward the large-scale development of western China, rejuvenate old industrial bases in the North East and other parts of China, promote the growing up of middle and western parts of China, encourage the eastern part of China to take the lead in developing, thus to form a reasonable pattern of regional development.

Thus, we become acutely aware that China’s urban ideology has changed from restricting urban development to encouraging and supporting urban development, in addition to co-ordinating the simultaneous development of both urban and rural areas.

### **Latest Developments in National Policy**

In October 2003, the Central Committee of the CPC issued the *Opinions on Implementing the Strategy of Rejuvenating Old Industrial Bases in Northeast and Other Parts of China*, symbolising the formal launch of China’s strategic decision to rejuvenate old industrial bases.

In December 2007, the State Council decided to list Wuhan as the pilot area for the integrated reform of national resource-saving and environment-friendly community construction.

In January 2008, the *Urban and Rural Planning Law of PRC* came into effect formally. The *Law* requires that, “the range of planned area, the size of land for construction, land for infrastructure and public service facilities, water source and water system, basic farming land and green land, environmental protection, natural and historic heritage preservation, as well as disaster prevention and reduction within the planned area shall be the compulsive contents of overall urban planning and overall town planning.”

## 4. Urban Regeneration, UK

Modern urban policy in the UK can be categorised into 5 main phases:

### i. Physical Redevelopment

- During the post-war period, the focus of urban policy was on slum clearance and supplying good quality housing as there was a housing shortage in the 1940s and 50s.
- In 1947, the Towns and Country Planning Act was introduced. The basic tenet of this legislation was to prevent unrestricted urban sprawl; this was achieved through the principle of private ownership of land, but public accountability in its use so that landowners sought permission for development. The 1947 Act also introduced the concept of a 'green belt' around cities.
- During this period, local authorities built a large quantity of affordable housing to meet the housing shortage and to improve housing conditions. New Towns were developed around cities to relieve inner city housing problems. These initiatives were coupled with slum clearance through the demolition of houses that were deemed unfit for habitation.

### ii. Social Welfare

- In the late 1960s, there was growing awareness and associated research showing the effects of poverty and inequality in the inner cities leading to further decline; area based solutions to improve the welfare of disadvantaged individuals and communities were encouraged.
- A number of inner city policies were brought in including the Urban Programme, General Improvement Areas (GIA), Educational Priority Areas (EPA) and Housing Action Areas (HAAs). These projects targeted deprived areas and provided them with the tools to improve their communities and their physical environment.
- In the 1960s and 70s, there was a slight shift from the improvements to the individual house to improving the surrounding areas.
- The report contained in the Community Development Project concluded that poverty was not the sole reason for urban decline and that there were more complex interactions at play.
- The 1977 White Paper published by the Labour Government indicated a shift in approach to tackling urban problems, combining the economic, social and environmental programmes. There was more of an emphasis on *urban regeneration* and this involved a more co-ordinated response between central and local governments.

### iii. Entrepreneurial Phase

- In 1979, the Conservative government under Thatcher was elected and there was shift in policy to more market led approaches to tackle urban regeneration.
- Private property investment was an important vehicle through which regeneration occurred. There was increased physical regeneration of localities and investment in buildings and infrastructure.
- Enterprise Zones (EZs) and Urban Development Corporations (UDC) were Central Government initiatives which relaxed land use controls and provided rate exemptions to property developers, encouraging partnerships between government and the private sector.
- They achieved considerable physical regeneration, however, jobs and wealth wasn't equally spread between the local economy.

### iv. Competitive Phase

- The property based approach failed to reverse urban decline when property demand slumped with the recession in 1989 -91.
- In 1991, the City Challenge initiative was introduced giving power back to local authorities; power which they were stripped of when the EZs and UDCs were introduced in the 1980s.
- The City Challenge initiative was a process of competitive urban policy where local authorities bid for urban regeneration funds. Successful bids were managed by multi-agency partnerships which comprised of local authorities, private, voluntary and community sectors.
- Other initiatives throughout the 90s, such as the Single Regeneration Budget (SRB) and City Pride, also placed partnerships between agencies and competitiveness at the top of the agenda.

#### v. Present Policy

- Once again there has been a shift in policy focus from *urban regeneration* to *sustainable development*.
- There is now more emphasis on the social consequences of economic policies; urban policy priorities now include strengthening local and regional economies, including economic opportunities in deprived areas, rebuilding neighbourhoods and sustainable development. Emphasis has moved from the 'inner city' to the wider urban area and regions.
- Regeneration now encompasses the housing, planning, transport and environmental policies as well as 'urban policy' and is monitored and implemented at the local, regional and central government levels.
- English Partnerships, Groundwork, the Forestry Commission and the Environment Agency have jointly created the Land Restoration Trust to restore and manage brownfield land that is suitable only for use as public green spaces.
- The Housing Corporation and the English Partnership are being brought together to form one agency called Communities England dealing with regeneration and house building issues. The financing and planning of affordable housing will be brought in together with the land-use planning and allocation of brownfield sites to provide a more joined up approach to both issues.

#### Scottish Urban Regeneration Policy

The Tothill Report of 1961 espoused the 'growth pole' theory to an extent not seen in England and Wales and put forward the idea of promoting ex-urban 'growth poles', mainly in the New Towns. This idea was then enthusiastically taken up in the White Paper *Central Scotland: A Programme for Development and Growth* (1963), whose thinking dominated the Scottish official world for the next 35 years.

Ironically, Scottish policy became more closely aligned with English policy only after Devolution. In 2003, Scotland's Urban Soundings Board published a report in which Scottish official opinion underwent a significant shift and cities came to be seen as key to economic growth. Subsequently, a substantial Cities Growth Programme was launched and Scotland belatedly adopted the idea of the Urban Regeneration Company officially in the Regeneration Policy Statement, *People and Place* (2006).

#### What can China learn from the UK experience?

Urban regeneration of older industrial cities in the UK has been a policy focus for over 25 years, but during that period substantial changes in policy and approach have developed. The key lessons from the UK are:

- Long term economic (diversification) strategies and master-planning are key to identifying the future rationale for derelict areas.
- Large scale urban regeneration is a complex task that requires special purpose agencies to do it.
- The remediation of contaminated sites is both complex and costly and it is difficult to escape the requirement for public subsidy.
- Good urban design is essential to create value in areas that have suffered disinvestment.
- Attracting private sector and institutional investment is the key to rebuilding urban investment markets.
- In the initial phases of the urban regeneration of a major de-industrialised area, there are major public sector costs in terms of site preparation and infrastructure.
- Local leadership is key to getting urban regeneration to sustain.



## 5. Affordable Housing, China

The housing problem is an extremely important social and economic issue for any government. With the development of Industrialisation, the level of Urbanisation has increased rapidly. In 1980, only 19.4% of the Chinese population lived in urban areas, but by 2008 this figure had risen to 45.7%. This level of rapid Urbanisation has resulted in an increased housing shortage and created a very real issue which has gravely affected those sections of the population who are considered to be on a low income.

### Chronology of Affordable Housing Policy in China

**Before 1978**, the commercial ownership of housing was not recognised and the state implemented the system of housing allocation in kind, causing a serious shortage of housing supply.

**1978**. Deng Xiao proposed a reform of the housing system designed to resolve any housing issues. He proposed to allow the private construction of housing (or private construction with public sponsorship) and payment in instalments, as a means of mobilising private money.

**1980**. Following Deng Xiaoping's proposed general reform to sell affordable housing, adjust rental and advocate individual construction and purchase of housing, some Chinese cities adopted the programme as a means of raising funds for housing construction, increasing new housing supply and raising the housing consumption ratio of families. Specifically, the programme consisted of selling new and existing affordable housing, as well as increasing the rental of affordable housing.

**1982**. China began to implement the pilot sales of housing with subsidies where the government, institutions and individuals paid for 1/3 of the house which they purchased.

**1986**. The "Steering Group of the State Council for Housing System Reform" was established, with an office to take on the responsibility for leading and co-ordinating the national reform of the housing system.

**1987**. China started to include, in its national planning, the construction of commercial housing nationwide. Shenzhen set a precedent for the charged transfer of land use rights and provided an important stepping stone on the road to the wide scale commercialisation of housing.

**1988**. China started to promote the housing system reform nationwide. They subsequently established the sale of new and existing affordable housing to individual residents and the rental of affordable houses as the core principles to push forward the commercialisation of housing.

**1994**. China specified the direction for the national reform of socialisation and commercialisation of housing. The Chinese Government simultaneously introduced a supply system of affordable ownership housing, with the purpose of benefiting mid and low-income populations, and a supply system of commodity housing which targeted the high-income population. The aim of the overall Housing Provident Fund was to encourage housing construction by raising funds and to continue to develop the housing co-operatives, as well as accelerating the rebuilding of dangerous housing in cities and towns. Additionally, with cost price as the target, rentals and sales prices were increased for affordable housing.

**1998**. China ceased allocating housing in kind, implemented housing allocation in currency and established and improved the multi-level urban housing supply system, mainly for affordable ownership housing. Minimum-income families were to lease affordable rental housing provided by the government or institutions; mid and low-income families could also purchase affordable ownership housing; other families of high income must purchase and lease commodity housing at market price. The reforms led to the emphatic development of affordable ownership housing.

**1999**. The People's Bank of China made mortgages available to consumers on a wide scale.



**2000.** The Minister of Construction, Yu Zhengsheng, officially declared the transition period from allocation of housing in kind to allocation of housing in currency had ended and China had completely cancelled the allocation of housing in kind.

**2003.** The State Council issued a series of policy documents which proposed to swiftly establish and improve the housing security system in compliance with the national conditions of China. Great importance was attached to the stabilisation of house prices, especially with regards to common commodity housing and affordable ownership housing.

**2004.** The State applied such methods as open tender, open auction and open listing to transfer all public land for real estate development and operation. Subsequently, the land price for the development of commodity residence started to rise.

**2006.** In order to stabilise housing prices and provide fair housing opportunity, the government required that 70% of the total of all new housing supply must measure an area of less than 90 square metres per unit.

**2007.** For the first time, adherence to the specified affordable rental housing model and the implementation of housing security was included in the performance examination of municipal governments.

*What can the UK learn from the Chinese experience?*

Compared with the 100 years of development and evolution of affordable housing policy in the UK, China's system of affordable housing policy is extremely embryonic. However, there are still lessons from which other countries can learn, including:

- i. **The Central Government attaching great importance to the programme and local governments pushing forward energetically.** Perfection of the affordable rental housing system, and its ability to resolve the housing difficulty for urban low-income populations, has become the most important indicator for the Central Government to examine the performance of local governments.
- ii. **Ensure the land supply for the construction of low-income population housing.** The Government will never prioritise the supply of land for any commodity housing, or other business development projects, before the land demand is satisfied for the construction of low-income population housing.
- iii. **Do not generalise policies, react to local conditions, and make specific decisions.** Since there is a huge gulf in the economic development level and housing status between Chinese cities, the housing problem for low-income populations must be resolved by different means.
- iv. **Promote projects which aim to rebuild old, dangerous housing, as well as village-in-city rebuilding.** The dangerous and old urban housing areas, and the "village-in-city" at the juncture of urban and rural areas, are usually the areas where there are large low-income populations. By rationally designing the land acquisition and demobilisation compensation policy, alongside the housing policy for low-income populations, the housing condition for low income populations can be vastly improved.
- v. **Realise the hybrid development of commodity housing and affordable housing.** In order to fully engage with developers, during the process of transferring land for commodity housing development and construction, the Government includes, in the land transfer contract, an important stipulation that a certain quantity of affordable ownership housing and affordable rental housing must be constructed.
- vi. **Encourage financial institutions to provide preferential loans for affordable housing projects.** In the event that credit is tight and the central bank strictly controls the credit size,

the Government relaxes its control and grants preferential interest rates on construction and development loans, as well as offering more personal home mortgage loans relating to affordable housing projects.

## 6. Affordable Housing, UK

### A Chronology of Affordable Housing Policy in the 20<sup>th</sup> Century

- 1914** 90% of households rented from a private landlord and only 20,000 local authority houses had been built in England.  
House building stopped, rents increased and there was a severe housing shortage.
- 1918** Rent controls introduced.  
Two main elements of housing policy: Rent control in the private sector and the development of the public sector. The public sector provided for general housing needs and the provision arising from slum clearance (Until 1939).
- 1919** “Homes fit for Heroes Programme.”  
The Housing and Town Planning Act required councils to provide housing through a 100% subsidy system. A significant house building programme began and created a legacy of public provision.
- 1923** Sitting tenants continued to be protected from eviction and subject to controlled rents, but there was automatic decontrol at the next change of tenant and all new houses built weren't subject to rent controls.  
Garden cities rejected the congestion and squalor and lack of planning in Victorian cities and presented an alternative approach to the design and layout of working class housing.  
Local authorities built relatively high quality houses at lower densities for the Working Class. Higher rents meant that most working classes could not afford to pay, so the better off ended up benefiting from local authority housing.
- 1933** Slum clearance dominated, thus Local Authorities concentrated their house-building for the needs generated by slum clearance rather than general housing needs.
- 1930s** Private house-building expanded to fill the gap that the local authorities left, the majority of the new houses were sold to owner occupiers. Home ownership increased from approximately 10% in 1914 to 34% in 1939.
- 1939** Rent controls were imposed and there was an immediate halt to slum clearance and there was virtually no new building. With 450,000 dwellings destroyed and 3 million houses estimated to be damaged this led to a housing shortage.
- 1945** Dominant objective was to increase the supply of dwellings. Local authorities dominated housing construction (80%), 1945-1951.
- 1949** The Housing Act removed the requirement for local authority housing to only be supplied to the working class, to encourage more mixed communities.
- 1950s** Slum clearance legislation was re-introduced; local authorities were to focus on slum clearance and the associated housing. Subsidies that the local authorities received from Central government were removed, except in specific circumstances.
- 1957** Housing Act meant that local authorities had to give reasonable preference to persons who are occupying insanitary or over crowded houses, have large families or are living in unsatisfactory housing conditions.
- 1961** ‘Homes for Today and Tomorrow’ report published. It set out the minimum functional space for a house. Between 1969 and 1981, these standards became mandatory for all council housing.

The Government made £25million available to provide loans to non-profit making housing associations under the Housing Act of 1961.

- 1968** The White Paper, 'Old Houses into New Homes', marked a shift from house building to repairing and improvements of existing buildings.
- 1972** Housing Finance Act made provisions for local authority rents to move towards the 'fair' rents (later 'reasonable' rents) charged and to introduce rent rebates to the poorer tenants, ending the subsidisation of rents.
- 1977** Housing (Homeless Persons) Act. Local authorities given a duty to provide for people who fell into the definition of homelessness and of priority needs groups such as a family with children, pregnant woman and the elderly.
- 1980s** Home-ownership was the prevalent form of tenure and schemes to promote low-cost home-ownership were introduced through the right-to-buy scheme and the deregulation of the mortgage market.
- 1983-1990** All rent and rates assistance was consolidated into one Housing Benefit scheme directed by the Social Security Department.
- 1990-2009** Do It Yourself Shared Ownership (DIYSO) introduced where the purchaser buys a percentage of the equity of the property and pays a subsidised rent to a registered social landlord on the remainder of equity.

This was recently replaced by the Homebuy scheme where the purchaser buys 75% of the equity.

- (2004)** The Key Worker Scheme introduced, which covers public sector workers such as nurses, police, teachers and fire officers. Via registered landlords it offers equity sharing Homebuy schemes, shared ownership in newly built housing association properties and subsidised rents. It was available in London and the South East.

**The Evaluation of English Housing Policy** suggests that past policies have left the following challenges for housing policymakers:

- An unresponsive supply side, where price is not linked to demand;
- Affordability and a drawbridge effect. Those within the sector enjoy rising wealth as house prices rise, but those not already owning their own homes find it increasingly hard to do so;
- The social sector is increasingly polarised in terms of who lives there, and often geographically as well;
- There is more choice for most. But social tenants find their choices constrained in some areas by lack of availability;
- Quality has improved over time, but it is already falling in the private sector as some owner occupiers struggle to maintain their properties and aspirations continue to rise.

#### **What can China learn from the UK experience?**

The UK's experience over the past 100 years demonstrates the challenge of delivering affordable housing to low income populations in urban areas very clearly.

- The UK has gone through policy cycles which have varied between renting and owner occupation, and between national and local government, and social and private landlords, all providing housing during different phases.

- Affordability is not just a problem for low income populations. With a constrained land supply and rapid population growth, the UK has consistently found it challenging to meet its target for new house building and housing regeneration.
- The national picture masks very substantially local and regional variations.

Ultimately, most progress has been made by:

- Switching public subsidy towards individuals, thus creating an income stream for landlords against which they can borrow to invest.
- Encouraging the private sector to deliver a portion of the affordable housing requirements.
- Developing mixed income, mixed tenure settlements which avoid the problems of large housing estates.

## 7. Urban Regeneration, Wuhan

The industrial development course of Wuhan in modern times can fall into three stages:

### i. 1861~1949 (industrialisation origin stage)

As commerce, banking, traffic and transportation industries became increasingly prosperous, in the 1860s, the modern industry of Wuhan began to germinate, especially since Zhang Zhidong, the governor of Hubei and Hunan in the Qing Dynasty, opted for the Westernisation Movement on a large scale in 1890. Wuhan became the cradle of modern industry known as "Eastern Chicago". By 1933, before the end of the Anti-Japanese War, Wuhan had about 500 factories and enterprises (over 30 persons, using mechanical power) and over 12,000 artisan undertakings, all of which employed over 50,000 people. The development of such basic industries as steel, smelting, weapon manufacturing, machine manufacturing, automobile manufacturing and modern textile industry, as well as water supply and power supply established Wuhan's position as a national industrial base. At this stage, Wuhan focussed on agricultural product processing and some progress was made in the heavy chemical industry, but the heavy chemical industry later shrank sharply, with agricultural product processing central to the city's development.

### ii. 1949~1992 (start of the heavy chemical industry and the consumer goods industry followed)

After the founding of the People's Republic of China, the state launched large-scale industrial construction in Wuhan, in a planned way. The original industries were resumed, transformed and extended, particularly during the "first five-year" plan, and the state invested heavily and built 32 new enterprises, of which, 29 were put into operation. In 1957, the world-famous No.1 Bridge in the Yangtze River, Wuhan Changjiang Bridge, was completed and opened to traffic, which further strengthened the role of Wuhan as the economic centre of Central China.

During the ten years that followed, notwithstanding the influence of "Left" deviation thoughts and the disturbance of the "Cultural Revolution", the industrial development of Wuhan continued at a fast pace. In December 1978, the Third Plenary Session of the Eleventh Central Committee proposed the strategic decision to transfer the work centre to the socialist modernisation construction method, which played a huge role in pushing the industrial development of Wuhan. From 1976 to 1985, the industrial development of Wuhan increased at an annual average rate of 15%. By 1986, its industrial scale was second only to Beijing, Tianjin and Shanghai, ranking fourth in the whole country.

### iii. 1992~the present day (simultaneous development of the high-processing manufacturing industry and high-and-new technology industry, as well as the co-existence of consumer and capital goods industries)

Since 1992, the state increased the force of the reform on enterprise property rights, enterprise's market subject position was enhanced, a new industrial park began to appear in the industrial layout; the economic and technical development zone, high-and-new technology zone and district-level economic development zone were distributed on the rural independent section of urban periphery, as well as the construction of an intelligence intensive zone on the urban fringe and urban outskirts. In the meantime, as technical update is slow and the land in the central district appreciated in value, in order to obtain differential incomes of land, traditional industrial enterprises and old industrial districts began to migrate out for land replacement and this resulted in the succession of traditional industry and the appearance of the industrial district.

After 2000, under the influence of economic globalisation, Wuhan set out to create a "modern manufacturing base" and began to build five major industry plates with the development zone as the base (Qingshan-Yangluo-Beihu-Zuoling plate); Donghu new technology development zone (Liufang-Zhifang-Dahualing plate), the economic and technical development zone (Changfu-Junshan-Shamiao plate), Wujiashan-Jinyinhu-Zoumaling-Caidian (Chengguan)-Huangjinkou plate and the urban industry plate with the city centre urban industrial park as the key point, concentrating on developing ten

major industries.

### **Spatial development and adjustment**

The spatial pattern of Wuhan's industrial development has been an evolving process from developing along the axial belt of river and water route transportation, to extending along land transportation, and then to extending to the hinterland in a circular manner.

Since the 1980s, the spatial structure of Wuhan city has entered a circle layer plus axial direction stage. Such a circle-layered pattern is particularly common in urban development. The recent two rounds of overall planning arranged three loop lines (first ring, second ring and third ring) to link with three towns. The city function planning is a circle-layer development pattern, i.e. the region within the second ring is an urban development mature region, its functions are guided by regional service facilities such as finance and trade, business culture, administrative office, etc; the regions from the second ring to third ring form a comprehensive development zone based on small and medium industrial areas and large residential districts; the regions outside the third ring line form a comprehensive development zone based on large industrial districts.

The last phase of Strategic Urban Planning in Wuhan (1996~2020) states that the land for industrial use of the main city from inside to outside falls into the four development sub-areas:

- i. the strict restriction area are the districts within the first ring;
- ii. the industrial restriction area is in the vicinity of first ring and second ring;
- iii. the industrial control natured development area is located within the three rings;
- iv. the industrial key point development area includes the three major industrial areas of Qingshan, Guanshan and Dunkou.

Over the past twenty years, the circle-layered development features of Wuhan's industry are obvious. First, industrial development concentrates towards the industrial areas outside the third ring, forming the four large industrial agglomeration districts, i.e. Yangluo Qingshan Beihu heavy chemical industry zone, Donghu new technology development zone (Guanshan industrial district), Wuhan economic and technological development zone (Dunkou industrial district) and Dongxihu Wujiashan--Jinyinhu industrial district; presently, the gross value of industrial output completed by the four industrial areas accounts for around 70% of the whole city.

Second, guided by the policy of "shrink secondary industry and develop tertiary industry", stretches of land for industrial use in the main city area have been withdrawn from inside the second ring; the closer to the central area, the faster the land replacement speed. By 2004, with the arrival of the real estate development upsurge, the small industrial agglomeration districts of Tangjiadun, Shipailing, Xujiapeng, Huanzihu, and Qiaokoulu, originally located at the urban centre were converted into urban dwelling districts and inside the second ring, only some sporadic first class industries were left.

Third, in respect of the industrial Areas between the second ring and third ring in the main city area, on the one hand, its location conditions are in a relatively inferior position; on the other hand, as the status quo is the large state-owned enterprises of heavy-duty machine manufacturing and chemical industry, the industrial types are complete and the overall survival ability is strong and therefore, the speed of regeneration is slow and the land for industrial use is balanced.

### **Lessons from Wuhan**

- Integrated city regeneration. Promote employment, improve infrastructure and environmental quality as important aspects of urban regeneration.
- Place emphasis on the preservation of the city's historical cultural veins.
- To achieve these goals, Wuhan city embodied the comprehensive utilisation of public policy in the urban industrial park transformation.
- Attach importance to old industrial city's redevelopment implementation mechanism.
- Through government steering, market operation, planning guide, policy regulation and control, ensure that urban regeneration develops in a healthy, ordered way, form a new pattern of diversified investment construction, urban district linkage and joint development.



## 8. Urban Regeneration, Nanjing

### The Pattern of the Old Industrial Areas of Nanjing

After more than a century of development, particularly the development precipitation after reform and opening to the outside world, the industrial economy of Nanjing had a solid foundation and had already become an important source of support for the national economy. In the 1990s, the industrial construction of Nanjing still centred on state-invested projects, but also included some light industrial projects. The Jiangbei Dachang and Banqiao region also developed, except for the planned nine major Gate Outsides, including Central Gate Outside and China Gate Outside. The pattern of the old industrial areas of Nanjing formed and entered a new period of regeneration and transformation.

The basic pattern of the old industrial areas of Nanjing can be summarised as:

- old plants formed since modern times and after the founding of China prevail in the old city zone, with industrial block and scattered industrial points as its basic mode;
- the fringe area of the main city outside the city wall and inside round-the-city highway is where industry began to grow in the planned economy period, or were separately arranged as large measure plant district as its main layout mode.

Nanjing formed the four industrial areas below:

- i. The eastern electronic industrial district focusing on Maqun and Shimenkan;
- ii. The southern machinery light industrial district focusing on Tiexinqiao and Dingqiang;
- iii. The western light processing industrial district focusing on Shazhou;
- iv. The electric industrial district outside Zhongyangmen,

In addition to this, parts of the industrial blocks were retained inside the city.

### The Regeneration of Nanjing's Old Industrial Areas during the process of New-type Industrialisation

Since the 1990s, with the paid use of land and the continuously higher demand on the enhancement of environment in the main city zone, Nanjing city proposed to "increase no more land generally for industrial use in the main city; the retained industries mainly centre on intension development; the adjustment to industrial land mainly centres on migration, conversion and transformation." Subsequently, the regeneration transformation to the old industrial bases of Nanjing gradually began.

In the meantime, as China's marketisation reform quickened and opening to the outside world deepened, foreign capital became an important part of urban industrial development. Nanjing's planning adopted a programme of building industrial parks in a concentrated way and attracting external capital to invest in industrial development with a sound infrastructure and under a preferential policy agreement. Nanjing planned and built four state-level development zones: Pukou export-oriented high-and-new technology development zone; Xinchengwei Nanjing economic and technological development zone; Nanjing chemical industrial park; Jiangning economic and technological development zone. It also built six provincial-level economic and technological development zones, including in Gaochun, Tanshui and Liuhe.

In 2000, Nanjing began to push for the open transfer system of land bidding, auction and listing for a variety of land use areas. As the first piece of land, 'No.720 plant Luxiying plot' was successfully transferred by public bidding, the regeneration transformation of old industrial districts entered a new period again. In the next year, Nanjing city Party committee and city government proposed "the present enterprises of pollution industries and those that need to move and transfer will adhere to the policy to 'reduce secondary industry and develop tertiary industry' gradually; encouraging other processing industries to concentrate towards the Pukou, Xingang, Jiangning development zones and other provincial-level development zones". In 2002, a law was passed within the administrative areas

of Nanjing city, in which the use of land for operating projects must implement the transfer of land use right by way of bidding, auction and listing and it stopped the transfer of land use under the agreements of "make up road with land" and "reduce secondary industry, develop tertiary industry."

In 2006, Nanjing's Government released multiple documents, encouraging the "shrinking of secondary industry and optimisation of secondary industry." The promulgation of the policies to "evacuate primary industry, concentrate tertiary industry", "reduce secondary industry, develop tertiary industry" and "reduce secondary industry, optimise secondary industry" quickened the pace of regeneration in the old industrial areas of Nanjing and large amounts of industrial enterprises moved to the development zones or industrial park in the suburbs. The old industrial bases in the city underwent transformation regeneration and developed into urban industrial parks. Early in 2008, there were 25 urban industrial parks in Nanjing.

In 2000, the industrial distribution outside the old city of Nanjing began to assume a trend of agglomeration, mainly focussed in the northeast and southwest. The industrial distribution presented a distribution along the main roads of the city and in the periphery of the round-the-city highways. The enterprises originally located along the river course began to decline or migrate. At this time, only a few "industrial speckles" still remained in the old city, and undertaking a regeneration transformation to them will gradually become a focus of attention. In the meantime, many workshops of old enterprise were transformed into student apartments and college buildings for logistics facilities. As the development zone construction continued, large numbers of enterprises began to migrate to development zones in the periphery of the city. From the 1990s to 2000, the increased industrial land of Nanjing was outside the city wall, the industries in the main city zone showed a slight increase, but the main development zones were in the periphery of the city. The external migration of the enterprises strengthened continuously.

After 2000, the industries of Nanjing city began to concentrate towards the development zone on a large scale; by 2007, the vast majority of industrial land in the old city had moved to the development zone. The industrial land uses are mainly distributed in the development zones in the periphery of the old city.

4 large development zones and 6 provincial-level development zones formed in Nanjing. The industrial distribution completed the transformation from dependence on the Yangtze River and river course to dependence on highways and the airport.

### Unique strategy in the urban regeneration of Nanjing

- **Integrated use of land for creative industry and old industry.** In the reconstruction of old factory houses, former administration buildings in the factories in most parks were transformed into commercial buildings which can be rented at a low rate by companies engaged in industrial design, software service and advertising. These buildings met their demand for an open lab, easy access and fast urban information.
- **Emphasis on adaptive re-use.** Typical cases include the reconstruction of the Weifen Motor Plant at Shiziqiao, Hubei Road, Nanjing No.2 Pharmaceuticals Plant and Plant 7316 at Yifeng Gate. In the reconstruction of old plant areas, former industrial functions were transformed to new functions according to the nature of the location. For example, the former factory house of the Weifen Motor Plant at Shiziqiao, Hubei Road was transformed into a restaurant due to the existence of Shiziqiao Cuisine Street. Plant 7316, located outside of Yifeng Gate, at the western end of Jianning Road, Xiguan, was combined with the scenic spot of Shizi Mountain Xiuqiu Park and scenic belt of the city wall of the Ming Dynasty.
- **Importance attached to the preservation of a modern industrial civilisation in Nanjing.** Evidence of symbolic industrial culture were preserved and re-used. A typical case was the Chenguang Machinery Plant. When the creative industry park was built in the old factory area, former old factory houses and important industrial equipment, related to the historic sites, were preserved. Thus, the Park became an important historic site for experiencing the evolution of modern manufacturing in China. Another typical case was the Xiaguan



UK-China Sustainable  
Development Dialogue

## 9. Urban Regeneration, Glasgow

### Overview of Urban regeneration in Glasgow

In Glasgow, the process of urban regeneration has been underway for some 30 years. Like many modern cities, there has been a shift away from traditional industries, in particular ship-building and engineering, due to the introduction of new technologies and cheaper production methodologies elsewhere. In the early 1980s and in the face of economic crisis, city leaders commissioned external economic experts to advise on the way forward. This kick-started the city's reinvention as an urban tourism destination through a combination of new city branding and the use of a series of high profile pacing events including the 1988 Garden Festival, the 1990 European Capital of Culture, the International Festival of Design in 1996 and the 1999 City of Architecture and Design.

Building on the success and momentum of these events, the city put in place an economic strategy developed primarily by the City Council and the Glasgow Development Agency, with the support of the wider city partners and partnerships. Launched in 1999, this was the first coherent strategy of its kind in Glasgow which took a longer term approach to regeneration, recognising and exploiting the distinct competencies of both public and private sector actors.

Despite significant changes in the wider political and economic arena in the intervening years, the level of commitment to this strategic approach of developing the city's economy has increased with a new, successor economic development strategy launched in 2006 which aims to create step-change in the city's fortunes within a ten year period. This new strategy takes account of the success of its predecessor, but acknowledges that there remain a number of challenges to the city's economic future. The strategy has the following 3 strategic priorities:

- Moving up the value chain (through higher levels of productivity, competitiveness and innovation).
- Shared prosperity (ensuring all citizens benefit from greater prosperity).
- Excellent economic environment (aligning the business, physical, cultural and social environment to support innovation and growth).

The strategy is driven by the Glasgow Economic Forum (originally a Scottish Executive initiative) which is comprised of prominent individuals from the public and private sector. Its delivery relies on a wide range of partners and partnerships and the aspirations within the strategy can only be realised with their full buy-in and participation.

The strategy identifies a number of big-ticket activities which should contribute significantly to the city's step-change targets. These include Clyde Gateway in the east end of the city which will effectively rehabilitate a large area of land for mixed use, create new arterial routes and generate significant employment opportunities for the residents of that area which has suffered from high levels of economic and social deprivation. An Urban Regeneration Company (URC) has been established to oversee the delivery of the project which has a total timeline of 25 years.

The economic development strategy is complemented by the City Plan which articulates the city's physical development policy.

The City Council is the local planning authority for Glasgow and shares the strategic planning function with the other seven local authorities through a Joint Committee to produce the Glasgow and the Clyde Valley Structure Plan. The eight authorities have also produced a joint Community Plan, the Metropolitan Vision for the Glasgow City Region (2003-2013), recently refreshed to take account of a number of political and structural changes which have occurred during the period 2003-2008.

There are five core service areas:

- i. Economic and social development programmes.

- ii. Property management and development.
- iii. Planning and development management functions.
- iv. Environmental services including design services.
- v. Housing investment and development.

### Strategic Planning

The Joint Structure Plan is the development plan for Glasgow and the Clyde Valley. It is a 20 year planning and development strategy for Glasgow and the Clyde Valley, setting out the agenda for sustained growth, with Glasgow at the centre.

City Plan 1 is the city's local plan and was put in place in 2003. It consisted of a development strategy and development policies, as well as design guidance. The development strategy provided a focus for development in the City Centre, along the River Clyde corridor and in other parts of the city. The key aims of the plan were to:

- Encourage population growth and retain families by delivering housing choices.
- Build a dynamic, internationally competitive economy by maintaining a healthy supply of serviceable, available and marketable land for industry and business and maintaining the City Centre as Glasgow's main office location.
- Improving the delivery of public services.
- Protecting and enhancing the City's built heritage and improving the quality of and access to the City's greenspaces.

A City Plan 2 is currently in preparation. It is in 3 parts and presents a city-wide vision for the physical development of Glasgow. It contains development policies and proposals which will influence the planning decisions and thus the scale and nature of the physical change.

- Part 1 is the development strategy overview.
- Part 2 is the development strategy priorities and proposals.
- Part 3 is the development policies and design guidance.

The City Plan sets the context in which development can deliver the employment, housing and educational environment that will sustain Glasgow as a competitive city. It sets out the detailed strategic and local framework for current and future development projects and delivery programmes.

### What can China learn from the UK experience?

Some of the key lessons of Glasgow's experience are as follows:

- **Proactive local government and the re-invention of the city.** Strong and innovative leadership by the local authority is essential to the process.
- **Leadership and Partnership.** While the local authority has the key leadership role, it cannot deliver regeneration on its own. Constructive engagement with other partners is essential.
- **Building consensus about the future.** Effective partnership requires effort to develop a shared understanding of the problems and solutions and a shared approach to addressing them. Joint working needs a strategic context in order to secure buy-in from stakeholders.
- **Image building and rebranding.** Direct public relations, use of major events, and well-directed investment are all critical to improving a city's image.
- **Managing assets effectively and leveraging investment.** The public sector's main contribution to development is often via its ownership of land. It is essential to use this asset to mobilise investment from other players in line with a clear master plan.
- **Co-ordinating the decentralisation of employment and population.** Keeping the movement of jobs in harmony with movement of the labour force is difficult to achieve, and much has been learned in Glasgow about the difficulties.

## 10. Urban Regeneration, Sheffield

### Overview of Urban Regeneration in Sheffield

There were steps towards urban regeneration in the 1980s, with Sheffield Council encouraging physical re-development through the construction of Meadowhall shopping centre, hosting of the World Student Games and the construction of the supertram. Sheffield's Urban Development Corporation (SDC) was also set up in the late 80s and oversaw the regeneration of former derelict industrial sites in the Lower Don Valley. However, real change occurred in the late 1990's when a confluence of events came together to enable Sheffield to really develop their urban regeneration agenda.

Since that point, Sheffield has developed a highly collaborative and partnership based approach to urban regeneration with a focus on the city centre. Sheffield has been at the forefront of innovative approaches with special purpose vehicles such as Sheffield One giving an important 'power of focus', along with sustained funding from the European Union, national government and Yorkshire Forward.

### Pro-active Local Government

Sheffield City Council was very pro-active in trying to address the economic problems of the city by themselves through the generous spending regime of the mid-1980s. They were less enthusiastic about the Urban Development Corporation which was imposed upon them, but began to embrace partnership working with other agencies and was a key partner in the Urban Regeneration Company and the Local Strategic Partnership.

The Sheffield First partnership has emerged to provide citywide co-ordination. The Sheffield First Partnership Board is the 'Local Strategic Partnership' for Sheffield and manages partnerships across the Council. Each partnership within the board included stakeholders from the public, private, community and faith sectors. The Board has a vision that "Sheffield will be a successful and distinctive city of European significance at the heart of a strong city region, with opportunities for all."

### Strategic Planning

Strategic planning has played a key role in the urban regeneration of Sheffield. There is a city strategy produced by the Sheffield First Partnership Board which is a vision for the whole city and provides strategic direction for each of the partnerships involved.

### City Centre Master-plan

The 2000 City Centre Master-plan was prepared by Sheffield One and a consultant team led by Koeter Kim and Associates. It prioritised activity in the city centre via seven projects dubbed the "magnificent seven" as these projects would deliver the maximum economic benefits.

The Master-plan had 6 objectives:

- i. Diversify the city's economy and deliver new jobs and economic activity.
- ii. Create a vibrant city centre for learning, culture retail, leisure and living.
- iii. Improve accessibility, movement and linkages.
- iv. Create a high quality, attractive, safe and sustainable city centre.
- v. Maximise local employment opportunities and linkages.
- vi. Promote a positive and investor/visitor friendly image.

The "Magnificent Seven" projects were:

- i. Heart of the City/St. Paul's Place.
- ii. Barkers Pool/City Hall.

- iii. Castlegate (phase 1) 'The Square.'
- iv. Station Gateway.
- v. New Retail Quarter (Sevenstone).
- vi. Digital Campus.
- vii. Transport and accessibility.

### Creative Sheffield 2007 - Present

Creative Sheffield was created in 2007 as the first city development company to be set up in the UK. Creative Sheffield has 6 major functions:

- i. Economic Strategy and Performance.
- ii. Innovation.
- iii. Business Investment (attracting new and expanding local business).
- iv. Strategic Marketing.
- v. Enterprise and Skills.
- vi. Physical Regeneration.

Creative Sheffield's core activities are<sup>iii</sup>:

- To be the lead marketing agency for Sheffield. Achieving a positive shift in perceptions of the city's image and reputation.
- To build on the success of Sheffield First for Investment in the attraction of quality inward investment into the city.
- To follow on the achievement of Sheffield One, in developing the city's physical infrastructure to internationally competitive standards.
- To develop initiatives that will promote the growth of the city's scientific, creative and cultural knowledge base.

The first major task of Creative Sheffield was to prepare an economic Master-plan and Delivery plan for Sheffield which was approved in February 2008 and is now being implemented. The Economic Master-plan recognises that the successful economic regeneration of a city comprises many facets which all must be carried out together if success is to be achieved.

### What lessons can China learn from the UK experience?

- **Pro-active local government and the reinvention of the city.** Strong and innovative leadership by the local authority is essential to the process.
- **Leadership and Partnership.** While the local authority has the key leadership role, it cannot deliver regeneration on its own. Constructive engagement with other partners is essential.
- **Building consensus about the future.** Effective partnership requires an effort to develop a shared understanding of the problems and solutions and a shared approach to addressing them. Joint working needs a strategic context in order to secure buy-in from stakeholders.
- **Image building and re-branding.** Perceptions of the city beyond its boundaries and among potential visitors, investors and decision-makers are crucial. Direct public relations, use of major events, and well-directed investment are all critical to improving a city's image.
- **Managing assets effectively and leveraging investment.**
- **Making the city centre work.**
- **Building the knowledge economy.**
- **The role of different kinds of development agencies.**



## 11. Affordable Housing, Wuhan

The simultaneous development of socialisation and marketisation has led to difficulties in striking a balance between marketisation and the advancement of housing security in Wuhan.

### i. **Housing supply strategy during the period of the planned economy: Governmental domination and market deficiency**

After the establishment of New China, in 1956 and 1958, Wuhan adopted the approach of “public and private partnerships” and “state management of leases” as part of its reform process on private leased housing. Public housing was leased on a charge-free basis, or at a dramatically reduced rate, which led to the demise of the house leasing market.

Additionally, the Government and enterprises both sought to raise funds in order to construct housing for staffs and workers. During 1978-1984, the policy for the general construction of housing was also implemented. This led to the construction of a total of over 900,000 square metres of housing, which was subsequently allocated by enterprises and institutions to staffs and workers as residence free of charge.

With the population increasing and the city developing, the Government’s financial burden became increasingly heavy; finally, the growth of housing supply failed to increase in line with the growth of housing demands, which resulted in a continual increase in the number of households in housing difficulty.

### ii. **Privatisation of housing and the multi-channel housing construction mechanism in the initial period of transition**

In 1984, Wuhan began to implement the policy of selling public housing, changing housing from welfare to commodity housing with the purpose to privatising public housing. The aim of this exercise was to reduce the financial burden of the Government in the realm of housing and to improve housing conditions for residents. During this period, public housing was sold at an extremely low price.

In addition to the privatisation of existing public housing, Wuhan tried various methods of constructing new houses such as the establishment of housing co-operatives which constructed houses with collected funds.

Another important means of increasing the housing supply was to build “commercial residence” and commercialise housing. Since 1982, Wuhan has undertaken the development and construction of “commodity housing.” From the 1980s to the mid 1990s, individuals, enterprises and public institutions were encouraged to buy “commodity housing.” However, the proportion of individuals buying commodity housing was extremely low, less than 10%, while a vast majority of “commodity housing” was purchased by enterprises and public institutions that allocated, as per a planned allocation system, them to their respective staffs and workers as residence free of charge. This approach did not really resolve the problems of the housing allocation system.

### iii. **Formation and development of housing for mid and low-income populations in the process of transition**

In the transition process, Wuhan People’s Government attached great importance to the construction of housing for low-income populations. In 1988, Wuhan began the “Anju Project” which targeted families in housing difficulty by constructing affordable ownership housing.

In 1992, Wuhan started to combine the aforementioned approach with the implementation of the affordable ownership housing programme in an attempt to actively resolve the housing problem. With regards to affordable ownership housing, the Government provided preferential policy to



construct housing with the view of selling it to mid and low-income populations at a cost price. Later on, this programme, dubbed the “Anju Project”, was promoted for implementation nationwide.

#### **iv. New pattern of market and security**

In the later part of 1998, Wuhan stopped housing allocation as welfare and implemented the institution of housing allocation in currency by the beginning of 1999. With income and housing subsidies, the citizens purchased housing from the commodity market at market price and thus the real estate market rapidly developed and expanded.

With the gradual development of market forces, some problems were also exposed.

In 1998, the Wuhan People’s Government issued the “Notice to Accelerate Affordable Ownership Housing Construction in Wuhan” and accelerated the construction of affordable ownership housing. In 2005, Wuhan specified that the land supply for affordable housing projects would firstly be secured and they then implemented the institution of public registration and lot-number sales for affordable ownership housing. In 2006, the Government specified that over 25% of all new housing construction must be affordable ownership housing.

Additionally, in 2002, Wuhan established the affordable rental housing institution and implemented the affordable rental housing security for the families entitled to urban minimum livelihood security benefit. By 2007, Wuhan had cumulatively invested over 240 million Yuan in its affordable rental housing security fund.

In 1994, as per national requirements, Wuhan began to promote the development of the Housing Provident Fund.

#### **v. Future prospects**

Wuhan still plans to improve the secured housing supply system. In January 2008, Wuhan People’s Government distributed the “Implementation Guidelines for Speeding up the Resolution of Housing Difficulty of Low-income Populations (WX (2008) No. 11).” It vowed to ensure that at least 5% of the total floorage area for tender projects of affordable ownership housing, for which the government provides land, and at least 3% of total floorage for the projects for which the employers provide land, must be leased affordable ownership housing.

In terms of particular measures, Wuhan will enhance the construction of affordable housing.

Additionally, Wuhan will strengthen its affordable rental housing security. In 2008, the object of affordable rental housing was extended from low-income families in housing difficulty to low-income populations living in housing with a floorage area of less than 10 square metres and an average monthly disposable income of less than 400 Yuan.

## 12. Affordable Housing, Nanjing

### The evolution of Nanjing's housing policy

- i. **1949-1998.** Most of housing in the city is owned by the state, through the vehicles of governmental agencies and vast enterprises, and was rented to citizens at an extremely low rate, whilst the state was responsible for maintaining and restoring the housing. During this period, for some special families in housing difficulty, the municipal government constructed a number of small-size houses for them to use.
- ii. **1998-2007.** In 1998, the Central Government officially announced the end of housing allocation in kind and opted to sell all of the public housing to the leasing families at a preferential rate. Meanwhile, China began to meet the new housing demand through the marketisation of housing development and construction. Relevant auxiliary land institutions and the availability of mortgages have been gradually improved. With the enhancement of China's economy, the commercialised real estate market developed rapidly and house prices increased sharply, thus housing for urban mid and low-income populations became a huge social problem.
- iii. **2007~Present.** In 2007, the state issued Document No. 24, changing the housing supply strategy and implementing both market and security housing in an attempt to resolve the housing problem for families of different incomes.

### Facets of Nanjing's Affordable Housing Policy

#### Affordable ownership housing policy

Affordable ownership housing is defined as security housing constructed in accordance with government guidelines and sold through allocation to low-income families in housing difficulty, for which the government provides policy preference, specified unit area and sales price.

Affordable ownership housing is applicable to the policy of "six generals" (general planning, general land acquisition, general design, general construction, general supply and general price) and "six strict controls" (strict control of construction size, strict control of unit area, strict control of selling price, strict control of supply objects, strict control of marketing and trading and strict control of surplus housing source).

By the end of 2007, Nanjing had accumulatively invested 13.7 billion Yuan, construction in progress had reached 7.01 million square metres and construction completed and delivered was 6.56 million square metres, translating into over 73,700 units. 15 communities have been established.

#### Affordable rental housing policy

In 2001, Nanjing began to implement its affordable rental housing policy. Affordable rental housing security objects include: Families with an annual income below the minimum livelihood security standard specified by the municipal government; those who qualify for minimum livelihood security successively for at least 6 months; those living in housing with an area of less than 8 square metres, with the city area's permanent residence registration. For these families, affordable rental housing security is provided primarily through lease housing subsidy, with rental reduction and allocated lease in kind playing a much diminished role.

### The role of mid and low-price commodity housing in housing security

Nanjing's current medium and low-price commodity housing is mainly meant for resolving the problem of demobilised families and those who received demobilisation compensation of less than 300,000 Yuan. It is also currently under consideration to formulate the dual-limit housing policy, mainly to resolve the housing problem for families wishing to purchase a house, who are not housing security objects but are unable to buy commodity housing from the open market.

As of April 2008, Nanjing has plans for the centralised construction of 11 medium and low-price commodity housing projects and 2 scattered construction (medium and low-price commodity housing in the general commodity housing communities) projects.

### **Dangerous and old housing block rehabilitation**

In the second half of 2007, Nanjing began a survey on dangerous and old houses throughout the whole city.

In September 2007, Nanjing's Government initiated the rehabilitation of dangerous and old housing blocks and implemented local rehabilitation by such measures as free land appropriation, reduction and exemption of construction surcharges and an increase in capacity. The three main methods included:

- i. Municipal rehabilitation. Upon demobilisation of existing houses, the blocks will be used as land for urban infrastructures, such as green belt, squares, etc, whilst the local residents will have their housing problem resolved through demobilisation compensation and housing security.
- ii. Development and rehabilitation. Dangerous and old housing blocks, in compliance with the set urban planning and with development value, were to be rehabilitated for the local relocation of the residents.
- iii. Rehabilitation through maintenance. Safety hazards to be eliminated and living conditions improved by maintaining, consolidating and rehabilitating.

### **Village-in-city rebuilding**

In 2006, Nanjing formulated the Decision for Undertaking "Village in City" Rehabilitation and Construction, and included the "village in city" rehabilitation in the overall planning of urban construction.

### **Future prospects**

In order to resolve the housing problem, Nanjing needs to undertake work under the national policy framework. According to the government's overall conception of "two basic solutions", it is planned, within three years from 2008-2010, to resolve the housing problem for about 80,000 urban low-income populations. However, currently, Nanjing's low-income housing policy has encountered some problems and challenges:

- i. How to resolve the housing problem for the urban "sandwich" class?
- ii. Negative impacts due to the central construction of affordable rental housing and other affordable housing communities and countermeasures.
- iii. Difficulties in long-term management upon completion and settlement.

### 13. Affordable Housing, Glasgow

#### Overview of Glasgow's Housing Strategy

Glasgow's housing strategy in the 1950s and 1960s was dominated by the twin aims of clearing the slums and attempting to build sufficient housing to meet the acute post-war shortage of housing. A major thrust was the 'overspill' programme, in which people were sponsored to move to New Towns, or other expanding towns, elsewhere in central Scotland. Within the city, programmes were almost entirely focussed on council house building, with private building for owner occupation a much lesser concern.

Glasgow Corporation was concerned to maintain the city's population as much as possible, fearing the consequences of excessive population decline. Development of the peripheral estates and of high rise flats on infill sites in the inner city were the key elements, along with the large-scale demolition of (mainly private rented) older private tenements. By the end of the 1960s, demolitions had run their course, and attention turned to the rehabilitation of the surviving older tenements (now accounting for some 50,000 homes). The initial efforts at direct rehabilitation by the city itself were unsuccessful, but from the mid-1970s a community-based housing association movement took on this role with great success. At the end of the 1970s, a new focus emerged on the promotion of private house building in rundown areas of the city. Although this was controversial in some quarters, it was eventually recognised as essential to retain more prosperous households in the city.

At the beginning of the 1980s, the Council stopped building new houses and its attention turned to improvement of the by now very large stock – 175,000 houses – which it already had. It became clear that this task was beyond the city's financial resources, and the Grieve Inquiry was set up to look for solutions. The Grieve Report (1986) recommended a write-off of the city's housing debt, a solution that was eventually adopted in 2003. Meanwhile, faced from 1986 onwards with a growing problem of council housing abandonment, the city embarked on a programme of planned demolition of the least popular stock, together with selective transfer of some stock to new community-based associations, following the model already established in the older private tenements. A third component was planned area renewal, involving the creation of mixed tenure neighbourhoods through a combination of demolition with new building of both private and social housing, and retention and rehabilitation of some of the more popular existing council stock. An extension of this policy from 1994 onwards, under the auspices of the Glasgow Regeneration Alliance, saw the planning of four 'New Neighbourhoods' – Drumchapel, Ruchill-Keppoch, Garthamlock and Oatlands – which were aimed at creating 'middle-market' owner occupation on a larger scale in a mixed tenure setting.

The policy of stock transfer eventually reached its culmination in 2003, when all of the remaining 80,000 council houses were transferred to the Glasgow Housing Association.

Glasgow's Housing Strategy currently comprises six key aims:

- i. Regeneration of the city.
- ii. Improving housing standards at affordable cost.
- iii. Meeting changing housing needs, particularly for people with disabilities.
- iv. Preventing and alleviating homelessness.
- v. Ensuring equality of access to housing.
- vi. Promoting effective delivery of housing services in the city.

One of the key projects is to develop a Common Housing Register, which will enable people to apply for all relevant social housing through a single application, rather than having to apply separately to a number of social housing providers. This will also have the benefit of enabling the city to make an accurate assessment of housing needs and to monitor the functioning of the system, to ensure equal access.

## **Housing providers**

The City Council no longer owns housing stock, but still has important duties and responsibilities to discharge across all housing sectors within the city. It is responsible for the Local Housing Strategy, area regeneration, dealing with unsatisfactory private housing, regulation of private landlords, and addressing homelessness. It has also taken on the management of Development Funding from Communities Scotland, this is the housing related subsidy provided to registered social landlords by the Scottish Government. The demand for social rented housing continues to fall and the sector will see significant change over the next decade.

The Council now works in conjunction with developers and housing associations to provide private housing and social housing respectively, but its programme of land release has been a significant factor in providing a range of housing opportunities.

## **The Growth of Social Landlords**

Across Scotland, the majority of social rented dwellings are provided by local authorities, and the remainder by housing associations. Housing associations are very diverse. Most Scottish associations have been established since the 1960s, by a variety of charitable groups.

One of the distinctive features of the Registered Social Landlords sector in Scotland is the involvement of tenants in the governance of the organisation.

In Glasgow, there are two large UK-wide housing associations operating – Home Group and Sanctuary Housing.

## **The Glasgow Housing Association**

The Glasgow Housing Association Limited (GHA) is a not-for-profit housing association which is registered as a Scottish Charity and also a registered social landlord with Communities Scotland; they are currently Scotland's largest social landlord.

The bulk of Glasgow's social housing was transferred from Glasgow City Council (GCC) to GHA in 2003.

The aim of the project was to contribute towards the sustainable development of Glasgow, to raise the city's dilapidated housing stock to a satisfactory standard to meet the changing needs of the city's population, to alleviate homelessness, to ensure equality of access to housing and to promote effective delivery of housing services to the city.

## **Private Sector Housing**

### *Private Rented Sector*

Private renting had a long period of decline, but bottomed out around 1990 and is now seeing substantial growth. There has been almost a doubling in properties privately rented between 1991 and 2007. Investment is continuing, with financial returns to private renting in Glasgow relatively high. There is also a low quality end with extensive multiple occupation.

### *Private Owner Occupation*

Private sector house building in Glasgow has been at a consistently high level in recent years with completions averaging nearly 2,500 per annum between 2001-02 and 2005-06. Reflecting the rapid growth in single person and childless couple households, there is a renewed interest in the City Centre and the opening up of new development opportunities along the riverside. The healthy housing market and the high values being achieved means that most of the land supply can now be developed without additional public subsidy.

## 14. Affordable Housing, Sheffield

Sheffield's housing strategy has shifted from that of a housing provider to that of a housing enabler. The form of tenure and type of social housing has also changed in line with demographic and social changes and the changing demands of the population.

### Sheffield's role in National Housing Policy

The *Hills Review of 2007* concluded that the social rented sector was not achieving its full potential; the next generation of housing management services needed to be better tailored to the needs of tenants, more mixed income communities to break down the concentrations of deprivation, action to support tenants livelihoods and reduce worklessness through integrated work on housing and employment, and diversifying the Right to Buy model and offering a more varied menu of ownership options to tenants.

### Local Government as a housing provider

Slum clearance in the 1950s and 60s led to the construction of large housing schemes such as Park Hill. As Sheffield suffered economic decline from the 1980s onwards, there was a large out migration of residents looking for work elsewhere, leading to houses being abandoned and an oversupply of social housing on the Council's housing stock as demand for social housing fell.

The role of local government as a housing provider today has diminished. The emphasis on housing provision is less on social rented housing and more on ownership, either through part equity schemes or Homebuy schemes.

**Today, the role of the local authority as the housing provider is to:** Provide decent homes in good quality environments; create neighbourhoods that people want to live in and tackling low demand; ensure a sufficient supply of affordable housing which includes access to affordable owner occupation; prevent homelessness and support independent living; close the gap between the most deprived areas and the rest of the city; promote social inclusion and responsiveness to customer needs and value for money/efficiency.

The Council now has an increasingly strategic role in the provision of housing and the actual delivery of housing and housing services now largely rests with Arms Length Management Organisations (ALMOs) and housing associations.

### Providing new affordable housing

There are a number of ways in which the council can intervene in the housing market to provide more affordable housing. Whilst the majority of people aspire to full ownership, there are a number of sub sections to the market that can help to satisfy differing levels of housing need. The open market provides for existing homeowners and for first time buyers earning above average incomes. Through planning policies, the Council secures new affordable housing as a contribution from developers. The private rented market also provides a range of high quality properties at market rents for those who choose to rent rather than buy. Intermediate (sub market) housing includes a range of products and options for homeownership and housing for rent at sub market rents (£70 to £100 per week) for those unable to afford market rents. **These include:** Discounted sale; shared ownership; sub market renting.

For people on the lowest incomes, social renting is the only access into housing. Although the government's rental policy has been one of alignment between Council and Housing Association rents, there continues to be significant differences in rents across providers within the social rented sector (£55 to £70 per week).

## **Housing Strategy**

In 2004, the City Council created its own neighbourhood regeneration strategy to give focus to related activity happening in the city, the 'Closing the Gap' policy. The Sheffield First Partnership also created a new 'Successful Neighbourhoods Partnership' in 2005 to co-ordinate all activities linked to this policy.

With the decaying Council housing stock, the city received a substantial amount of funding from Central Government for repair as part of the national Decent Homes programme and Housing Market Renewal programmes (2002). The programmes aim to either upgrade, or clear, low demand property.

The Sheffield Housing strategy for 2007 – 2010 sets out the challenges facing the city. In order to create a better quality of life for its residents, the city needs to provide choice and quality to all its residents. Getting the number, type and quality of homes right is essential.

### **The growth of Social Landlords and Stock Transfer: Housing Associations in Sheffield**

In 2000, the Government set a target to ensure that all social housing met a minimum Decent Housing Standard by 2010.

In 2002, a neighbourhood based option appraisal approach was adopted as the best way to engage tenants and evaluating the three investment options open to them. The commissions were made up of tenants, local residents, community representatives and ward elected members.

Through the Neighbourhood Commissions process, groups of tenants in some locations chose to pursue the option of a stock transfer to a new landlord whilst a majority opted for Arms Length Management Option (ALMO).

There are around 15 Housing Associations in Sheffield who are partners of the council in both their roles as the owners and managers of existing stock and as regeneration partners building new homes and working to tackle deprivation and disadvantage.

### **Sheffield Homes**

Sheffield Homes, a not-for-profit self funded organisation, was set up in 2004 to transform the city's council housing, providing housing management to over 42,000 households and delivering the largest decent homes programme in the country.

### **Private Sector Housing and Private Sector Loans**

The Government wants homeowners to take more responsibility for the upkeep of their properties, instead of relying on Local Authority grants which are being phased out. The Government also wants to increase the number of properties, which meet the decent homes standard. To help achieve this, Local Authorities were given the powers to bring in their own solutions to the challenge. Sheffield City Council and its partner Local Authorities in Yorkshire chose to provide equity release loans secured against a client's property.

These loans are targeted specifically at clients who are vulnerable and cannot access conventional high street lending. The loan is in place to help vulnerable homeowners make repairs and improvements to their property with the overall aim of bringing their homes up to a decent homes standard.

In addition to the Home Appreciation Loans, Relocation Appreciation Loans, which are also equity release based loans have also been developed. These loans enable homeowners that are affected by living in designated clearance or regeneration areas to access loans to help them fund potential shortfalls they may have when purchasing a new property.



## 15. Outcomes from the dialogue

The Dialogue has provided the basis for rich exchange between urban practitioners, expert researchers, private sector interests, and the national governments. Key themes and suggestions have emerged from the research.

### 15.1 Key themes

#### Urban Regeneration

##### i. Urban Development Organisations

A recurring theme has been the key role of urban development organisations (corporations and companies) in bringing together public planning with private investment capital through mechanisms such as master planning, joint venture agreements, urban district management, and negotiated mixed use development. These organisations have been of great interest in China and are seen as key to urban regeneration success in the UK.

##### ii. Urban Regeneration Funding Issues

Wuhan explained their difficulties in financing the development of what appeared likely to be an immensely profitable development of a new Central Business District (CBD) on the site of the former airport (Wangjiadun), to the west of Hankou city centre. This could be due to the relatively undeveloped state of Chinese capital markets. However, problems in financing urban regeneration projects are common in the UK too, particularly where there are large up-front costs. It would be worth reviewing the UK approaches including Local Asset Backed Vehicles (LABVs) and contractual methods (e.g. as pursued by Cardiff), as well as the much-admired Tax Increment Financing approach widely used in the USA and currently under consideration by HM Treasury for wider use in the UK.

##### iii. Urban Industrial Parks

Chinese cities offer a wide range of innovative projects to promote employment on re-used industrial sites. At one end of the spectrum, developments such as Wuhan's Hanzheng Street Urban Industry Park attempt to respond to the shortage of industrial jobs by promoting employment in industrial uses compatible with the inner city – those that are quiet and non-polluting and do not give rise to excessive transport movements. At the other end of the spectrum are re-uses which aim for completely different types of employment, particularly in cultural activities. Nanjing's Block Xici, 'Creative Eastern 8' Park, 'Dragon Walking' Recreational Business District (both beside the old Ming Wall) and former Changan Automobile Works in Xiaguan district are examples of this. One key objective here is often to provide low cost premises for new and growing businesses. More famous examples of this approach are Beijing's '798' Art District, in a former electronics factory between the fourth and fifth ring roads, and Shanghai's Moganshan Art District, beside the Suzhou River in what is envisaged as an eventually extensive riverfront cultural quarter. Midway between these is Nanjing's '1865' industrial park, a very large former armaments factory which is intended to host a variety of uses in different zones within it.

Chinese entrepreneurs and planners are not afraid to take ordinary former industrial buildings and 'change the dull factory look of the past, and shape a new-style urban industrial park' (Nanjing foundation paper). UK attitudes to re-use of industrial buildings tend to be rather different, with a primary focus on buildings that are particularly distinguished from an architectural point of view, such as Glasgow's Templeton Carpet Factory or Sheffield's Kelham Island. In contrast to the position in China, such buildings are often shifted to residential use as 'lofts'. In the UK there is much less interest in the potential re-use of ordinary industrial buildings, although the work of 'Urban Splash' is something of an exception.

There is much to be gained through greater exchange of experience in these re-uses.

#### **iv. Land Remediation Best Practice**

The Chinese side have already made clear their interest in this topic. This is a fast-moving and rather specialist field in the UK. We would be positioned well to be able to show the Chinese side examples of our approaches in Glasgow, and to enable them to network with practitioners. Among the key issues are:

- Required standards of decontamination have a tendency to rise over time and there have even been cases where ambient levels of contamination in the locality have been higher than the required level on development sites. This is a field in which the EU plays a big role.
- Required standards of decontamination depend on the proposed use – e.g. higher for residential than for industrial or commercial.
- Sites tend to be decontaminated only to the level required for each use on the site.
- Contamination and poor ground conditions tend to have a strong influence on the development footprint.
- There is a lot of new technology in decontamination, e.g. use of biological methods.
- Financing site remediation is a big problem in the UK. Various approaches have been used – it seems to be generally agreed that the most effective approach was the former English Derelict Land Grant regime, which never applied in Scotland.
- Since 2001, the UK has had some taxation incentives for decontamination – we would have to check what their experience has been.

#### **v. Spatial and Skills Mismatch in Unemployment**

Both in Wuhan and Nanjing, the Chinese side placed a lot of emphasis on the employment problems of workers resident in the central city resulting from the movement of industry out to new sites in satellite towns. These problems have also been extensively debated and researched in the UK and USA and there is a large literature (larger in the USA than the UK) by such writers as Kain, Kasarda, Beatty & Fothergill and Turok. The large fall in the UK male employment rate since the 1970s is undoubtedly related to this problem. Responses include:

- Promotion of relevant employment in the inner city. While no one expects to see many large plants opening in the central city, smaller industrial operations are feasible.
- Investment in public transport, and fare subsidies.
- Retraining and employment placement programmes.

The UK cities offer a rich field for study of these issues. The UK's 'Active labour market programmes' to re-employ workers displaced from jobs by deindustrialisation may be of particular interest to the Chinese side.

#### **vi. Travel to Work**

The foundation papers (particularly those for Nanjing and Glasgow) expressed concern about the separation of home and workplace brought about by the decentralisation of industry. In the UK, there tends to be less concern about this issue, probably because the main worker in most households with someone in employment is able to use a car. In China, private cars remain rare; bicycles and mopeds are key commuting modes, and they have smaller ranges, while metro rail networks are still mostly quite small or embryonic, although developing extremely rapidly. The fact that modern suburban factories often employ large numbers of migrant workers living in dormitories provided by their employers on or near the factory site conversely tends to reduce commuting problems.

China's extensive use of bicycles and growing use of mopeds powered by rechargeable batteries are much admired from the UK side and offer potential for further study.

## **vii. Waterfront Regeneration**

In both China and the UK, great importance is attached to the opportunities offered by redevelopment of waterfront sites formerly in use for docks or maritime industries. One notable difference of approach is a far more confident attitude in China to re-using waterfront sites for parkland and recreation, which is most striking in Wuhan's Jiangtan linear park, extending for several kilometres beside the Yangtze at Hankou. Although this particular development was conditioned to a substantial extent by the desire to create a 'buffer' area which the river can flood without major danger or damage, other Chinese cities such as Tianjin and Ningbo have been turning their riverfronts over to parkland uses on a large scale and are continuing to do so. UK attitudes have generally turned against this type of use; this seems to be due to a number of factors including stronger market pressure to shift to high value uses; less need for new parkland because of existing parks and lower residential densities; a wetter climate; and a greater incidence of crime, drug and alcohol abuse which reduces people's sense of security in using such areas. A major example of failure of this type of riverfront use in Glasgow is the Clyde Street frontage, where efforts are now being made to substitute mixed-use redevelopment.

## **viii. Public consultation and involvement**

This is seen as a growing issue on the Chinese side, and was featured at the Urban Planning Society of China conference in Tianjin in September 2009. The UK has very lengthy experience of varying approaches to public participation which could be drawn upon by the Chinese side.

## **Housing**

### **i. Affordable Housing Development**

There are big differences in approach between China and the UK. Reflecting the state's control of land resources, affordable housing developments for owner occupation in China tend to be very large, and affordability is achieved by taking the land cost out of the price charged to the buyer. By contrast, in the UK, such developments are much smaller, and affordability is attained either through bargaining with a private developer to achieve 'planning gain', or (reflecting the UK's highly developed financial system) through various forms of financial engineering.

### **ii. Equity Sharing**

The Chinese approach to the provision of subsidised affordable home ownership is based on the sale of houses at cost, with land provided free. This mechanism is occasionally used in the UK, but a more common approach is now to use equity sharing. In this model, as operated in Scotland (New Supply Shared Equity, formerly 'Homestake'), a housing association takes a 20%-40% share of ownership (and occasionally more), leaving the purchaser to find only 60%-80% of the purchase price. On resale, each party takes its own share of the sale proceeds. The purchaser has the option of increasing their stake, up to 100%. The housing association (which is funded by the public authority) has first refusal of the property on resale and its receipts are recycled into affordable housing provision.

This model has been running for four years in Scotland and we could arrange site visits to projects, although these are on a much smaller scale than in China. The Chinese side might be interested in equity sharing as a possible alternative approach. At first sight, it seems that the level of public subsidy to a purchaser who eventually sells on the open market is less in the equity sharing model than in the Chinese 'at cost' model.

### **iii. Development Finance for Affordable Renting**

China does not have housing associations. The property and development management organisations visited in Wuhan and Nanjing were commercial companies, albeit operating under a regime of limited profits and clearly engaged in many philanthropic activities of which they were rightly proud.

The institution of the non-profit housing organisation, the Registered Social Landlord, is central to modern UK social housing provision. The local authorities in Sheffield and Glasgow have both divested themselves completely of their housing stock, which has been transferred to specially-created housing associations.

A comparison of these institutions seems likely to be of interest to both sides. In relation to finance, the China affordable housing foundation paper has pointed out the current difficulty in raising sufficient finance for affordable rented housing development, and has pointed to the potential benefits to China of developing the use of similar modes of private capital raising to those used by the larger UK housing associations. This is an area where it would be relatively easy to arrange Chinese access to UK experience.

#### **iv. Housing Allowances**

Both countries operate housing allowance systems for tenants in the private and social housing sectors. The UK's system is far more extensive than the Chinese system, which in its present form is of relatively recent origin. The affordable housing foundation paper puts the numbers of recipients in China at only 2-3m and the total cost at under 10bn Yuan. This contrasts with UK recipients of over 4m (in a much smaller population) and spending of over £14bn per year.

#### **v. Mixed-tenure Housing Development**

China and the UK have both clearly become aware of the problems associated with large developments of a single housing tenure, and are keen to promote mixed tenure development at the local scale. This was seen in Wuhan, for example, in the purchase by the local authority of small numbers of houses for affordable renting within the primarily affordable ownership Huangpu Renjia development. This striking convergence of thinking is worth exploring further.

#### **vi. Use of High Rise Flats**

High rise flats are centrally important to Chinese urban development. They are not used for affordable rented housing, because of their additional operating costs in terms of lifts and maintenance. There are also height controls in operation for civic design reasons across large parts of at least some cities (certainly Beijing and Nanjing – it less clear that there are such controls in Wuhan). But high rise flats are being built extensively in suburban locations where they would not be considered in the UK.

There appear to be a number of reasons for the extensive use of high rise for new market housing in China:

- Infrastructure costs are lower where development is in the form of concentrated nodes of very high density (pipes and cables have to be run only to a few nodes rather than forming dispersed networks).
- Because car ownership remains low, residents need access to public transport and to local shopping and services, and these are much easier to arrange to concentrated high density nodes.
- High rise building reduces the developer's cost per unit, while the additional running costs fall on the purchasers.
- China's relatively southern latitude means that the problems of overshadowing created by high rise blocks are much less serious than they are in a more northern country such as the UK; indeed overshadowing may often be welcomed, for instance in reducing air conditioning costs.
- High rise is well-established in Hong Kong and Taiwan, as well as in other east Asian countries, and these have tended to provide a model for China.

In the UK, attitudes to high rise have fluctuated. High rise was strongly promoted by central government in the 1960s and 1970s for social housing, but there was then a backlash and it is now almost never built. Reasons given for not doing so include the higher revenue costs of high rise and the alleged lack of clear benefits in saving land (although this may depend partly on geographical latitude because of the importance of avoiding overshadowing), as well as the perceived greater difficulty of managing large multi-unit buildings. At one time, the limitation put on children's play by high rise was an important consideration, although this is now barely relevant due to the decline in the proportion of households with children. On the other hand, in the last decade in the UK, there has been a growing trend towards high rise for private housing in cities, aided by the demographic trends which are producing more single person and couple households.

There does not seem to have been any comprehensive evaluation of the pros and cons of high rise as compared to low rise in the UK since the 1960s. A systematic study of the perceived costs and benefits, advantages and disadvantages of high rise in the two countries, from an economic, sociological and sustainability point of view, could be valuable to both.

#### **vii. Rehabilitation Programmes for Privately Owned Housing**

There has been a lot of controversy over the scale of demolition in Chinese cities in the past 15-20 years. There has clearly been a move towards rehabilitation. The Urban Planning Exhibitions in Beijing, Nanjing and Shanghai all have displays on conservation. Also, examples of housing rehabilitation are easily found, for instance in Nanjing, Shanghai, Ningbo and Shaoxing.

Rehabilitation cuts both ways from a sustainability viewpoint. It reduces the amount of building work and of energy use in building, and also recycles old materials. On the other hand, it is difficult to make old buildings as energy efficient as new ones. There is a literature on this topic.

Promotion of rehabilitation of older privately-owned housing has been a difficult policy area in the UK, with another shift of policy currently under way in Scotland. However, we do have extensive experience of different approaches, and these may be of interest.

#### **viii. Regulation of the Private Rented Sector**

Private renting is a minority tenure in both countries, but plays a similar vital role, facilitating migration and helping to balance labour supply and demand. In both countries, marketisation has led to the expansion of the sector in the past two decades. In the UK, this has mainly been the result of the abolition of rent regulation in 1989, while in China it has been facilitated by the sale of social rented housing to its occupants who have then often moved to better homes, but retained ownership.

In spite of its benefits, private renting opens up all sorts of problems of exploitation and bad conditions in a minority of the stock. Having introduced rent control during the First World War, the UK deregulated its private rented sector in 1989 and now has almost 20 years of experience of regulation of the sector under modern conditions. Scotland is particularly interesting because it has introduced more comprehensive regulation than the rest of the UK – comprehensive licensing of Houses in Multiple Occupation in 2001, and comprehensive registration of private landlords in 2006. Our experience of these systems as operated in Glasgow could be of considerable interest to the Chinese.

### **15.2 Options for the Future.**

Much more can be done in terms of research between the UK and China on urban development issues. However, the thrust of the recommendations arising from the SDD Urban are more practical sharing of knowledge on urban regeneration and affordable housing issues. Both the UK and China have experience of practical level urban policy exchanges, but there has been only limited exchange so far between these two countries. The following suggestions are designed to encourage this:

**i. Preparation of advisory ‘tool-kits’ or ‘hand books’ on UK experience for Chinese markets:**

C 20 pages each, ‘how to’ publications. Select from themes of:

- ✓ Brownfield remediation.
- ✓ Private sector and citizen participation in urban regeneration.
- ✓ Setting up an urban regeneration organisation.
- ✓ Integrating climate change into urban regeneration and affordable housing.
- ✓ Arms length housing management organisations.
- ✓ Role of business and citizen participation in urban regeneration and affordable housing.
- ✓ Redeveloping brownfield sites.
- ✓ Setting up an urban regeneration organisation.
- ✓ Integrating climate change into urban regeneration and affordable housing.

**ii. Development of training modules for delivery at events in China:**

Select from themes of:

- ✓ Brownfield remediation.
- ✓ Private sector and citizen participation in urban regeneration.
- ✓ Setting up an urban regeneration organisation.
- ✓ Integrating climate change into urban regeneration and affordable housing.
- ✓ Arms length housing management organisations.
- ✓ Role of business and citizen participation in urban regeneration and affordable housing.
- ✓ Redeveloping brownfield sites.
- ✓ Setting up an urban regeneration organisation.
- ✓ Integrating climate change into urban regeneration and affordable housing.

**iii. Feasibility of policy and instrument adaptation and transfer:**

There are a large range of potential initiatives that could be adapted and borrowed in each country. These include:

- ✓ Urban Development Corporations.
- ✓ Master Planning of major redevelopment areas.
- ✓ Brownfield Remediation Financing techniques.
- ✓ Housing Associations and Companies.
- ✓ PPP financing for urban redevelopment.
- ✓ Energy Efficiency codes for buildings.
- ✓ Role of green spaces in urban regeneration.
- ✓ Financing social infrastructure.

Detailed feasibility work could be done in the next phase for selected themes to follow this research phase.

**iv. An ongoing UK – China Urban Development Network and website/case study exchange.**

In particular, an opportunity for practitioners to make contact with counterparts in the other country with the aim of:

- Development of a 'framework agreement' to guide wider UK-China Urban Development collaborations.
- Exchanges and secondments.
- Collaboration between professional bodies.
- Continuation of the dialogue through an annual conference to alternate locations between UK and China.
- A UK-China Cities/Urban co-ordination group within each country.

Existing professional organisations like UPSC in China can provide platforms and play an important role in this respect.

**v. Wider dissemination of Trade and Business collaboration opportunities between UK and China on urban regeneration and affordable housing.**

A combined public and private sector offering on major development and regeneration opportunities.

**vi. Further strands to the UK China Cities dialogue.**

This would look at low carbon urban development and housing, and urban development finance, with other case studies and discussions.

It could also look at the role of hosting international events in promoting sustainable urban development.

The Shanghai EXPO 2010 is a great opportunity to take forwards the dialogue through debate and discussion between practitioners. The UPSC Annual Conference in Sept 2010 is also an excellent opportunity to pilot workshops and training materials.



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<sup>i</sup> <http://www.gwpchina.org/EChinaGWP/Publish/News.aspx?NewsID=32f9adf9-7759-4e6b-9f0e-642400364e5a&DisplayOrder=05> GWP China, accessed 19/02/08

<sup>ii</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/CHINAEXTN/0,,contentMDK:20680895~pagePK:1497618~piPK:217854~theSitePK:318950,00.html> – World Bank accessed 19/02/08

<sup>iii</sup> <http://www.creativesheffield.co.uk/CorporateInformation> - Creative Sheffield